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JPRS Report

East Asia

Southeast Asia

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East Asia Southeast Asia

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Japanese Investors Sought

42000457a Suva THE FIJI TIMES in English
26 Jul 88 p 2

[Text] Fiji hoped to attract Japanese investors, the Minister for Commerce and Industry, Mr Berenado Vunibobo, said yesterday.

"We hope that some of the manufacturers of cassette tapes and certain parts of electronic equipment could be assembled here."

"I believe the Japanese have sent away things to be assembled as far away as the United Kingdom," he said.

Mr Vunibobo was in the government delegation that visited Japan last week to promote tourism, trade and investment in Fiji.

The delegation, which consisted of seven ministers, senior civil servants and businessmen, was led by the Prime Minister, Ratu Sir Kamisese Mara.

Mr Vunibobo said the group had discussions with several big companies in Japan, including Yamaha and Nissshoiwai, which buys Fiji sugar.

"Given the sheer size of the Japanese economy and the diversity of its manufacturing activities, it will take some time for us to see whether there would be any takers."

He said Nissshoiwai was a diversified company.

"The company is into textiles and other commodities. Even if we interest them to set up manufacturing specifically for the Japanese markets, it would be a very good breakthrough."

"We also met with Yamaha and we are having further exchanges."

Mr Vunibobo said if Fiji was to attract investment, it had to go out and tell potential investors about what the country could offer.

He said the tax free zone and the tax free factories were important selling points.

07310

Arms Amnesty Period Ends

42000456b Suva THE FIJI TIMES in English
25 Jul 88 p 2

[Text] The month-long grace period and amnesty ended at midnight on Saturday with no further surrendered of weapons directly linked to the April illegal arms shipment.

But, there were some weapons surrendered at police stations throughout the country.

They included two pen pistols similar to the one believed to have killed former Minister for Rural Development in the military government, Mr Jone Veisamasama.

Mr Veisamasama, an active member of the Taukei Movement, died on Friday from a gunshot wound to the abdomen.

Police said two more pen pistols were handed in on Saturday.

The 12-centimeter pen pistols carry a .22 calibre bullet and is said to be common in the Middle East.

Other items surrendered include a Remington rifle, 81 rounds of .22 ammunitions, a revolver with 14 rounds of ammunition, 72 rounds of 12 gauge No 3 shots and an air pistol.

The arms were picked up by police from different centers after they received anonymous calls.

Police spokesman, ASP Tomasi Kubu, said in Suva yesterday these arms were not directly linked with the cache smuggled into the country in April.

The only arms directly linked with the April shipment were those surrendered at Nadi on July 14.

These included 19 assault rifles and three boxes of grenades.

Under the amnesty offer, the government had given a month's grace for people to voluntarily surrender any illegal arms they had.

Anyone surrendering the arms within the June 22 to July 23 period would be given full amnesty.

07310

Man Accused of Illegal Arms Shipment Arrested

42000456a Suva THE FIJI TIMES in English
25 Jul 88 p 1

[Text] Sydney, (July 24)—A Fiji-born man alleged by Australian Federal Police (AFP) to have been the central figure in a conspiracy to ship arms to Fiji has been arrested in England.

AFP director of information Philip Castle said here Mohammed Rafic Kahan, 46, also known as Dr Ralph Khan, was arrested by London Metropolitan Police at Boreham Wood, outside London, on Friday.

Mr Castle said Kahan was arrested on behalf of Fiji authorities and was being held by the new Scotland Yard extradition squad.

He said Fiji was requesting Kahan's extradition.

In Suva last night, the Director of Public Prosecutions, Mr Isikeli Mataitoga, confirmed that extradition papers had been lodged with the British authorities.

He said charges against Kahan had been prepared and should be filed tomorrow.

The authorities expect to get Kahan over to be tried in Fiji as quickly as possible.

Kahan was tracked to England by the Australian Federal Police.

According to a report from Australia last night, Kahan appeared in court soon after his arrest and has been remanded in custody pending extradition proceedings against him.

The case is set to be called again on August 1.

Kahan's arrest came about in conjunction with the AFP, who had been attempting to locate him since he allegedly fled Australia after the discovery of a huge arms cache bound for Fiji in Sydney in May.

A 12-tonne container load of Czechoslovakian-made arms, including rifles, anti-tank mines, mortars and rocket launches, was discovered by Customs officers at Sydney's Darling Harbour on May 31 en route to Fiji.

Later, authorities in Fiji seized nearly 10 tonnes of weapons and ammunition.

Mr Castle said Australia had not sought Kahan's extradition because the offenses under which he would be charged would be under the Foreign Incursions Act, and AFP was not sure whether the offenses were extraditable.

Australia would not seek Kahan's extradition, Australian Attorney General Lionel Bowen said yesterday.

Mr Bowen ruled out an Australian bid to extradite the man for the moment because Fiji was applying to do so.

"He is not an Australian citizen. We might well seek it (extradition), but I understand the Fijians are seeking it."

Mr Castle said Kahan would be facing allegations regarding false documents, immigration, and Custom matters as well as over the arms seizure.

On June 4, Fiji-born Mihal Shiri Kissun, of the western Sydney suburb of Parramatta, was arrested and charged with permitting another person, Mohammed Kahan, to use his passport for identification.

Kahan was said in St James Local Court by Federal Police to be the "central figure" in the conspiracy to ship arms to Fiji.

On June 6, Taimud Ahmed, part-time resident of Redfern, was charged with conspiracy to import arms into Fiji between January and May this year and granted \$115,000 bail.

On July 14, a Central Local Court magistrate refused to make an order to restrain Federal and Fiji police from contacting Ahmed and adjourned the matter for hearing on August 17.

Police have established that Kahan was in Fiji in April and cleared a container of arms from Lautoka Wharf.

He then left for Australia to await the arrival of a second container, but the Sydney Customs officers got to it first.

07310

Judge Refuses Bail Following Illegal Arms Possession

*42000456c Suva THE FIJI TIMES in English
25 Jul 88 p 2*

[Text] A High Court judge has refused bail for four men facing charges in connection with the illegal arms shipment in April.

Mr Justice Sadal, upholding a ruling by the lower court, said the magistrate had exercised his discretion wisely.

The four who sought bail were Satendra Kumar, 50, farmer and truck operator of Saweni, Mohammed Shariff Khan, 51, farmer of Sabeto, Jainendra Kumar, 28, of Saweni and Mahendra Singh, 33, of Nava Street, Lautoka.

All are facing charges of unlawful possession of and concealing arms illegally brought into the country.

"The magistrate, in the exercise of his discretion, refused bail on the ground that the charge faced by the accused was serious and remanded them in custody," Mr Justice Sadal said on Friday.

"I should not lightly interfere with the discretion of the magistrate who has determined that this is a proper case to hold the accused in custody," he said.

The lawyer for the four, Mr Siddiq Koya had cited the Prosecution and Fundamental Rights and Freedoms of the Individual Decree 1988.

Mr Justice Sadal said that if one looked at the wording of that decree, it became clear that it did not begin to operate until a person had been arrested or detained without trial for an unreasonable time.

"The question whether or not an unreasonable time has elapsed is a question of fact depending on the circumstances of each case," Mr Justice Sadal said.

Mr Babu Indarshekar Singh, the State prosecutor, in opposing the bail application, said the charges faced by the accused persons were serious, investigation was still in progress, and there was a security risk.

Mr Justice Sadal said however, that, the preliminary inquiry date had been set at the Magistrate's Court for August 17.

"In this case, each of the four accused men deposed that when searched no arms or ammunition were found with them," Mr Justice Sadal said.

He said it was most undesirable that he should say anything more than this about the evidence.

He said other reasons had been advanced on their behalf why they should be granted bail.

Mr Koya said the four had no previous convictions, were of good character, would appear in court when required, and would not leave Fiji.

"None of these considerations, either alone or in conjunction, are of sufficient weight to warrant my interfering with the magistrate's refusal of bail in this case," Mr Justice Sadal said.

"I therefore refuse bail at this stage, but without prejudice to any further application if there is any undue delay in the commencement of the preliminary inquiry," Mr Justice Sadal said.

Meanwhile, 18 other men facing charges in the same case, were further remanded in custody until August 5 by Lautoka Court on Friday.

07310

Arrests Made, Inquiries Into Pen Pistols
42000457c Suva THE FIJI TIMES in English
27 Jul 88 p 1

[Article by Mesake Koroi and Josefa Dimuri]

[Text] A soldier, two Suva businessmen and two Labasa men were detained yesterday in connection with inquiries into pen pistols in Fiji.

The soldier, whose name was not released, is being held by the army.

The two businessmen, Mr Tony Stevens, and his associate, Mr Jioji Bakoso, were held at the Central Police Station in Suva.

At Labasa, a clerk and a businessman were also detained.

The two Suva businessmen were arrested on Sunday following police raids on their homes.

Police spokesman ASP Tomasi Kubu confirmed the arrests yesterday.

All he would say was that Stevens and Bakoso were detained under the Internal Security Decree.

An army spokesman confirmed the soldier's arrest but declined to give details.

Police and military sources said the arrests were inter-related.

"Their arrests are directly linked to the presence of lethal pen pistols, one of which is believed to be the weapon that may have accidentally killed Colo-i-Suva farmer Mr Jone Veisamasama," a source said.

Soon after THE FIJI TIMES highlighted the pen pistol death of Mr Veisamasama on Friday, police were tipped off that similar pen pistols were at Mr Stevens' shop at Flagstaff.

A team of police detectives raided Mr Stevens' home and shop over the weekend but found nothing.

But they seized documents which they were studying.

The soldier was detained on suspicion that he gave Mr Veisamasama a pen pistol.

"We are investigating their cases very thoroughly, turning over every bit of information," a police source said.

"We are not only looking at the Veisamasama case but also if any more pen pistols are still floating around. It is in the national interest that we find them," he said.

Pen pistols are common in the Middle East, particularly in Lebanon and are used mainly as an assassination weapon.

There is speculation that the pen pistols may have been brought in by soldiers returning from peace-keeping duties in the Middle East.

The 12cm-long pistol has two compartments, screwed together and fires a .22 calibre bullet. It can fire only one bullet at a time.

Late last night Mr Stevens and Mr Bakoso were still in police custody, and the soldier in a cell at Nabua barracks.

An armed soldier stormed into the Labasa Hospital Outpatients Department on Monday and arrested a clerical officer as Security Forces stepped up investigations into smuggled arms in the Northern Division.

The clerk, Mr Sundressan, was taken to the police station where he was interrogated for two hours. He was released the same evening but police re-arrested him at work yesterday. He was still being detained last night.

The soldier stormed into the hospital armed with a .303 rifle.

About 30 people were in the Outpatients Department as Mr Sundressan was taken to a waiting police van.

Other soldiers and policemen surrounded the back of the Outpatients Department building when the soldier made his way in.

A 41-year-old company director, Mr Krishna Palanni, was also taken in on Monday.

Mr Palanni was arrested in his office by uniformed soldiers and police.

His office was searched along with a neighboring warehouse. Police also raided his home at Naodamu and went through his documents.

Police later dug up his backyard but found nothing.

Mr. Palanni, who is an agent for Shell Oil Company, was still in detention last night.

07310

Editorial Comment on Reviving Tripartism
42000458a Suva THE FIJI TIMES in English
27 Jul 88 p 6

[Text] Both the Fiji Consultative Employers Association and the Fiji Trades Union Congress have been urging the government to revive the Tripartite Forum.

The latest call has come from FECA president, Colonel Paul Manueli, who told his annual general meeting in Suva on Monday night that employers were disappointed at the government's reluctance to reactivate the spirit of tripartism.

Whatever reasons the government may have had over the past 12 months for wanting to keep a tight leash on the economy and wage levels are not longer of such compelling force.

Both the unions and employers have shown a sense of realism by restraining their claims for wage increases. In fact, they have willingly accepted the government-fixed maximum increase of six per cent allowable from July 1.

The main concern of all responsible unions now is to keep as many of their members in jobs rather than press for unreasonable pay increases.

And the main concern of most employers is to retain workers with special skills who have been deserting them in ever bigger number for greener pastures elsewhere.

These twin objectives can be better attained if all sections of industry—unions, employers and the government—work together.

That is why it is in the national interest to revive the Forum where progressive and fruitful discussions can be held so that there is a common front to tackle not only industrial problems but forge a combined effort at promoting expansion in investment and creating new employment.

The Forum has served this country well over the past two decades. It stabilized the industrial scene and created a feeling of partnership among the main players in the economy.

Its revival will be perceived as a strong pointer to a return to normality and thus help to attract potential investors.

07310

Allegations of Political Activities at USP
42000456d Suva THE FIJI TIMES in English
25 Jul 88 p 3

[Text] Some Fiji citizens and expatriate staff at the University of the South Pacific are using the USP for political activities aimed at thwarting and undermining the interim administration and the Security Forces, says the army.

But the Vice-Chancellor of the USP, Mr Geoffery Caston, said he was astonished that a statement containing such serious allegations had been made without it being discussed with him or with members of the USP and its administration.

"The assertion that the university administration is working against the interim administration and Security Forces and providing cover for various kinds of political activities is quite false," he said.

In a statement issued yesterday, the Fiji Military Forces said recent investigations showed that political activities by some USP staff had increased in recent months.

These political activities were confined to certain Fiji citizens and some expatriates.

"Their main objective is to thwart and undermine the interim administration and the Security Forces," the statement said.

The plan, according to the statement, includes victimizing indigenous Fijian Students so as to arouse their antagonism towards members of their own community.

It was part of a broader strategy to cause dissension among Fijians, it said.

The army claimed it had evidence of such victimization, and that USP administration knew, but refused to take action against those responsible.

It claimed that the staff involved were "deliberately setting out to sabotage the government's programme of special assistance to Fijians, intended to narrow the education gap between Fijians and Indians.

"Fiji Indian staff are being pressured to give higher grades to fellow Indian students and they are advised and encouraged not to communicate with their Fijian counterparts," the FMF statement claimed.

"These political activists have divided the university into cells, each of four to six members to carry out their plans which include clandestine activities."

The FMF claimed the university administration and the three schools on the Laucala campus each had cells and others were being set up.

"These cells involve senior members of staff; people who are in positions of power and able to influence decisions and to promote and protect one another," the statement said.

"There is frenetic activity to entrench in power positions those already there and to select carefully those who might take up new openings."

It claimed that contact was being kept with counterparts overseas.

While such contacts included Fiji Indians, they also involved others previously at USP and were known to be politically active and influential in their current jobs overseas.

"The objective is to engage in a campaign of misinformation overseas to discredit Fiji and more particularly the Security Forces."

The misinformation was planned to intensify as the search for illegal arms in Fiji increased and when public discussions began on a new constitution.

The strategy was to arouse world opinion against those in control in Fiji and to cause widespread destabilization within Fiji itself.

"The USP staff involved believe that hostility to Fiji overseas and a breakdown in law and order here will force foreign intervention," the FMF said.

"They argue that such foreign intervention now remains their last hope to prevent the making of a new constitution and to defeat the objectives of the coup."

It said some USP staff knew about the illegal arms and were aware of their whereabouts and those who might be involved.

It accused the USP administration of using its regional nature to provide cover for the activities of its politically involved staff.

Some activists argued that a confrontation between the university and the Security Forces was necessary and were working towards it.

Commenting on the allegations, Mr Caston said the FMF statement was full of vague allegations and charges.

"It is written, in my view, by someone who knows very little about the USP in 1988, and that is unfortunate.

"I find it inexplicable that it has not been put to me directly. There is no evidence in the statement itself," he said.

Mt Caston said he was always ready to meet with any minister from Fiji or any other country in the region and senior officers of the FMF and the police.

He said the Minister for Education, Mr Filipe Bole, had told him last week that Cabinet had no complaints about the way the USP was doing its work.

"The suggestion that there is some special conspiracy at the USP against indigenous Fijian students is particularly disturbing.

"One third of our students are indigenous Fijians, some of them among our very best.

"For years we have been specially concerned to improve the achievements of Fijian students particularly. I want to assure all Fijians, including students and their parents, that the staff of the USP is totally committed to the welfare of Fijian students, as to that of all other ethnic and national communities at USP.

"All over the world, universities are particularly vulnerable to critics who are unfamiliar with what goes on in them. Our days are full of teaching, research, and consultancies for many government departments in many countries.

"We need the support and understanding of the public for this work. The unnamed authors of this Military Forces document seem intent on destroying confidence in the university, which is one of the great national assets of Fiji and of the other countries of the South Pacific. "It would be tragic if this were to happen," he said.

Minister of Finance Comments on Economy
42000457d Suva *THE FIJI TIMES* in English
29 Jul 88 p 5

[Text] Fiji is about to experience economic and investment revival, says the Minister of Finance, Mr Josevata Kamikamica.

Speaking at the opening of a new Westpac Banking Corporation branch at Nabua on Friday he said: "Investor confidence as expressed in recent decisions to invest large funds in tourism and industry is growing and this will lead to new projects which will create jobs.

"Economic revival was one of the major goals of the interim administration and the restoration of business and investor confidence was crucial for achieving this," he said.

The general manager of the bank's Pacific Islands Division, Mr John Stone, said the occasion also reflected the bank's economic growth and confidence in the country.

"We have a responsibility to let the world and Fiji know that our faith is still in the country's future," he said.

The bank recently bought the Hongkong Bank and last week acquired the ownership of the European Pacific Bank in the Cook Islands.

Westpac was now represented in nine countries in the Pacific region. Mr Stone said.

The opening of the Nabua branch meant that Westpac was the first bank to operate a full-banking branch in the area, where the population was more than 40,000.

07310

Editorial Comment on Success of Fiji Sugar Corporation
42000458b Suva *THE FIJI TIMES* in English
29 Jul 88 p 8

[Text] The Fiji Sugar Corporation's \$23 million profit for the last financial year means a windfall for the government at a time when it needs revenue.

Besides collecting a substantial amount in tax, the government stands to receive a generous share of the profit, as it is the main shareholder in the company. This is one government corporation which has written its own story of success and should be held up as an example of good corporate management, with the least government interference.

The chairman of the corporation, Mr Lyle Cupit, rightly paid tribute to FSC management and workers for their efficient milling operation. Together with them, farmers,

cane cutters, transport workers and all others associated with the industry should be complimented for a highly successful season amid turmoil last year.

The sugar industry is clearly the backbone of the national economy and will continue to play a dominant role in the future. It should, therefore, be a matter of national policy to support it in every way.

The outlook for the sugar market is good and Fiji has an excellent opportunity to exploit it. This means producing more good quality sugar, for which Fiji has a good international reputation.

According to international analysts, world sugar prices over the next 11 months will be volatile, ranging from about nine cents to 23c per pound.

The U.S. drought and unknown foreign consumption and production factors are responsible for the uncertainty.

The major wild cards are the Soviet Union and China where sugar consumption has increased rapidly. Both countries are trying to increase production but how successful they will be remains to be seen.

Brazil, another major producer, uses a substantial portion of its output for ethanol production but may jump into the market with more sugar if prices continue rising.

Despite the imponderables, Fiji can be certain of selling all the sugar it can produce. In addition to filling its traditional quota requirements, it is in a position to exploit the improving open market.

07310

Fiji-Indians Banned From Visiting Tonga
42000457b Suva *THE FIJI TIMES* in English
26 Jul 88 p 4

[Text] Tonga has banned Fiji-Indians from visiting the island kingdom.

But the ban, which became effective from July 18, was only temporary, its chief immigration authority and Superintendent of Police, Mr Seniloa, said yesterday.

Mr Seniloa said the ban had been imposed to allow Tonga to review its immigration policy on Fiji-Indians.

It would be lifted as soon as the review had been completed, he added.

The ban also extended to Indian businessmen from Fiji who had dealings in Tonga but did not cover passengers in transit through the country or airline crew.

Air Pacific's chief executive, Mr Andrew Drysdale, said he had been told the ban might be lifted by the weekend.

Government officials were meeting on the issue now, he said.

Mr Drysdale confirmed that Air Pacific crew would not be hit by the ban.

But the secretary of the Air Pacific Employees Association, Mr Akhtar Singh, said yesterday APEA had sought a written guarantee that its members would not be affected in any way.

Mr Singh said the union's major concern was what would happen in times of emergency.

If a crew member fell sick on flight and had to stay there overnight, what sort of treatment would he/she receive, he asked.

Although Tongan authorities did not spell out the reasons for the ban. The FIJI TIMES understands it was prompted by an influx of trades people from Fiji seeking jobs in the island kingdom since the May coup.

One Tongan source said as many as 100 Fiji-Indians were working in Tonga as mechanics, panel beaters, joiners, tailors and shoemakers.

Mr Seniloa said there were 150 Indians in Tonga. This excluded those who had entered on visitors permits and were seeking jobs.

He could not supply details of the latter group.

A number of Fiji businesses are also engaged in Trade with Tonga, particularly in re-exports.

One businessman who had just returned from Tonga last week expressed surprise at the news but cautioned against "over-reacting" to it.

Suva businessman, Mr Vinod Gokal, of D Gokal and Co said he was annoyed that there had been no official statement from Tonga explaining the ban.

Mr Gokal said one of his representatives was scheduled to visit Tonga this week but attempts to find out whether he could visit were unsuccessful and in the end the trip had to be cancelled.

"I'm very disappointed with this. We have been trading with Tonga for years. We hope something rational will come out," he said.

Mr Gokal said he would have expected the Fiji government to protest against this kind of treatment of its citizens.

But attempts by THE FIJI TIMES yesterday to get a reaction from the Ministry of Foreign Affairs were unsuccessful.

07310

Soeharto Rules Out Free Competition Among Economic Forces

42130179a Jakarta *PELITA* in Indonesian
26 Jul 88 p 1

[Text] Jakarta, *PELITA*—President Soeharto declared that although Indonesia must observe rational economic principles we will not allow everything to be determined entirely by market forces. Although we must improve efficiency and productivity in every sector, we will not permit national economic forces to plunge into free, mutually destructive competition.

The president made his statement at the State Palace on Monday morning [25 July] to participants in the Department of Trade Working Conference, which was attended also by a number of Development Cabinet ministers.

The president declared further that everyone must be clear that the deregulation and debureaucratization we have performed absolutely do not constitute liberalization. In development generally, and in economic development particularly, it has been emphasized that Indonesia will not plunge ideologically into liberalism.

The president said that the policies followed by the government, consistent with the spirit that marks the 1988 GBHN [Broad Outline of State Policy], give opportunity to economic forces in the community and are an expression of confidence in them, in order that these forces may come to life and that they may contribute to and bear maximum responsibility for the success of national development.

This also is the soul of deregulation and debureaucratization, which have been implemented in a planned and focused way in recent years.

Integration of Sectors

The president said further that it is our joint determination to protect, strengthen, and expand all the economic forces we have, and to develop new forces as well. The president is confident that by continuing to move in this direction we can achieve the self-sufficiency in development that must be realized in the second 25-Year Long-Term Development.

What we are doing, said the president, is reinforcing all national economic forces so that they will grow in strength and health. To accomplish this, it is essential that direction and action in all sectors be integrated. "One sector must support the growth of other sectors, and this must take place among the economic forces of the state, the private sector, and cooperatives," the head of state said.

Trade Minister Briefs Parliament on GSP

42130171b Jakarta *KOMPAS* in Indonesian
21 Jul 88 pp 1, 12

[Excerpts] The option to use GSP (Generalized System of Preferences) will not automatically produce benefits for Indonesian export products. Many steps will have to be taken before benefits are produced through opportunities provided by the GSP system.

Dr Arifin M. Siregar, minister of trade, pointed this out at a working meeting with Commission VII of the DPR [Parliament] at the DPR building in Senayan, Jakarta yesterday. He added that benefits for Indonesian export products depend on to what extent Indonesian producers and exporters are able to manufacture products already made by the four newly industrialized nations of Asia.

Minister of Trade Siregar said that if this goal can be achieved, Indonesia can take advantage of the opportunity afforded by Asia's four newly industrialized nations' reduced ability to compete. Beside that, it is possible that even if they do not receive GSP facilities, those four countries' export products will continue to be competitive because their lower production costs will enable them to reduce prices.

Indonesian Possibilities

In an answer to questions from Commission VII's members Minister of Trade Arifin Siregar said that in order to increase responsiveness to GSP opportunities the government has repeatedly provided the business world with explanations and information about how to use those opportunities.

Siregar said that Indonesian exporters must first of all increase efficiency and service to potential customers in the United States. They should also learn from and follow in the steps of exporters from Asia's four newly industrialized nations in increasing market share in the United States.

He added that the United States Government's revocation of GSP facilities for Asia's four newly industrialized nations, including a neighboring ASEAN nation, should be investigated within the framework of ASEAN as a whole. "At some point these facilities might be taken away from other ASEAN nations, including Indonesia. The GSP question is not used as a tool to gain benefits for granters of GSP facilities in bilateral or multilateral meetings," he pointed out.

Pertamina Plans To Purchase Refinery Abroad
42130165d Jakarta SUARA PEMBARUAN in Indonesian 13 Jul 88 p 11

[Excerpt] Jakarta, 13 July—In an effort to ensure the sale of Indonesian petroleum the government (acting through Pertamina) [National Petroleum and Natural Gas Mining Company] is studying the possibility of purchasing an oil refinery abroad. For this purpose a team from Pertamina has been formed. This was stated by Minister of Mining and Energy Engr Ginandjar Kartasasmita at a meeting with Committee VI of Parliament on 12 July in Jakarta. The meeting was presided over by Sunaryo Hadade, the chairman of Committee VI.

He declared that at present there are indications that the producers of petroleum are purchasing oil refineries overseas to process crude oil to provide assured outlets for the sale of their petroleum. He pointed to several petroleum producing countries which are members of OPEC, including Saudi Arabia and Kuwait.

However, he said that it must be realized that an effort in that direction depends on national financial conditions, and Indonesia should not be equated with Saudi Arabia. What is clear is that all of this must be studied by the Pertamina team.

He stated that most Indonesian petroleum is sold on the Japanese and United States market. There is relatively little Indonesian petroleum which is sold to Europe. He said: "At present what must be considered is the sale of Indonesian petroleum in Japan."

He said: "The question is whether we can make the effort to own a petroleum refinery, how this would be done, and where the petroleum refinery would be located. This is what we are studying now."

05170

Value of Nonoil Exports Up, Oil Exports Down
Jakarta ANTARA NEWS BULLETIN in English 2 Aug 88 pp A1, A2

[Text] Jakarta, Aug 2 (ANTARA)—Indonesia's export value of non-oil/gas commodities during the first five months of this year (January to May 1988) increased by about 36 per cent from U.S. \$2,936 million (January to May 1987) to U.S. \$3,978 million, it was learnt here Tuesday.

Data from the central bank shows the increase was due to the increasing prices of several commodities in the international market.

Meanwhile, the export value of crude oil during that period dropped from U.S. \$2,430 million (January to May 1987) to U.S. \$2,373 million or by about 2.3 per cent.

Most of the country's crude oil was exported to the United States, Japan and the EEC countries.

The data also shows that the export value of liquefied natural gas (LNG) during that period increased by 35 per cent compared with that of the same period of last year.

During the first five months of 1987 (January to May 1987) the country's export value of LNG was recorded at U.S. \$1,009 million, while during the first five months of this year the value was noted at U.S. \$1,358 million.

07310

Assurances Given Ulama Council on Religious Teaching in Education Law
42130171d Jakarta PELITA in Indonesian 21 Jul 88 pp 1, 6

[Excerpts] K. H. Hasan Basri, general chairman of the Indonesian Council of Islamic Scholars (MUI), stated that MUI can understand the education bill presented by Minister of Education and Culture Fuad Hassan to the DPR [Parliament] in June.

"There is a mutual understanding between the Department of Education and Culture and MUI. Minister Fuad Hassan has guaranteed that religious education will not be neglected. It will continue to be part of the curriculum," Hasan Basri said to reporters after his meeting with the minister in Jakarta yesterday.

The general chairman of MUI was accompanied at this meeting by Chairman H. M. Soedjoko and by Secretary H. S. Prodjokusumo.

K. H. Hasan Basri admitted that the education bill needs improvement. He met with the minister in order to explain MUI's position on the bill and to make some suggestions, which he hoped would be taken up in any future examination of the bill.

MUI thinks that both the content and the formulation of the education bill can be improved. "We expect it to be like what is in the GBHN [Main Outline of National Goals]," said K. H. Hasan Basri, adding that the problem would be examined in the DPR.

Minister Fuad Hassan recently told reporters that there is no reason to fear that religious education will be neglected. The education bill is just a bill at this point; it is open to change and improvement.

Imprecise

In a recent letter to leaders of the DPR/MPR [People's Consultative Assembly] MUI stated that religious education is necessary in nonsectarian schools and in religious schools.

MUI expects that the basis and goals of national education will be determined according to what is in the 1988 GBHN. Religious education in nonsectarian schools is guaranteed by the national education laws and continuation of existing religious schools is guaranteed.

K. H. Hasan Basri thinks that these guarantees are not clearly or precisely stated in the education bill. "But there is no longer any problem because the bill will be examined in the DPR," he said.

When reporters asked whether there is any group or individuals who rejected the education bill, he said that maybe such people did not understand it yet. "There has to be a clearer explanation of the background to the bill," he said.

K. H. Hasan Basri said that people want an increase in the number of hours of religious education.

"But is that possible?" the press asked.

"That's it! The minister hasn't made a statement about that yet," he said.

The number of religious teachers is no problem, said K. H. Hasan Basri, who also asked the family and society to be responsible for their children's religious education.

"Up to now, there has been the tendency for parents to place the total burden of religious education on the schools," he said.

09846

Murdani, Sutrisno Stress Need To Resolve PDI Infighting

42130179c Jakarta *PELITA* in Indonesian
27 Jul 88 pp 1, 6

[Text] Cisarua, *PELITA*—As a fellow sociopolitical force, ABRI is concerned about developments in the PDI [Indonesian Democratic Party], which recently has appeared enveloped in an atmosphere of extended difference of opinion among its members. Therefore, it is hoped that, in a spirit of oneness and unity based on a feeling of corporate responsibility, the differences can be resolved through consultation and consensus.

PANGAB [Armed Forces Commander] General TNI [Indonesian National Army] Tri Sutrisno expressed this concern and hope in a lecture read by ABRI KASOSPOL [Chief of Sociopolitical Affairs] Lieutenant General Harsudiono Hartas to a meeting of the Party Consultative Council (MPP) of the PDI DPP [Central Executive Council] at Cisarua, Bogor, on Tuesday afternoon [26 July].

In a lecture on Tuesday night on the same program, PANGKOPKAMTIB [Commander of the Command for Restoration of Security and Order] General TNI L.B.

Murdani expressed his hope that all PDI members will finalize their consolidation as quickly as possible. Although differences of opinion are actually natural and good, the invention of differences in order to intentionally create dissension and conflict should be avoided.

The issue of division in the PDI organization, which received the attention of the PANGAB and the PANGKOPKAMTIB in their lectures, is expected to be a main subject of discussion in the PDI MPP in addition to the modification of its ART [bylaws] and an evaluation of PDI DPP policies. There are at least four issues in the crisis, encompassing reconciliation efforts and the issues of dismissals, recalls, and "periodicity" in the PDI.

Consultation and Consensus

The resolution of issues through consultation and consensus, the PANGAB stated, has been for ages a special characteristic of the Indonesian people, who have always emphasized a spirit of family and mutual help, while avoiding bringing up new issues and producing winners and losers.

PANGAB Tri Sutrisno stated his confidence that if such conditions of consultation and consensus are created, these PDI internal issues can be resolved appropriately and fully.

At the beginning of his lecture, the PANGAB called on all PDI functionaries and members to remember and understand the part of the speech given by the general chairman of the PDI DPP at the First PDI Congress in April 1986 in which he stated that national interests were the principal motive for the formation of the PDI and that the parties thereby fused possessed a full realization of this and a willingness to sacrifice their individual interests.

Party Discipline

Commenting on the crisis in the PDI organization, PANGKOPKAMTIB Gen L.B. Murdani stated that KOPKAMTIB greatly appreciates the efforts of party leaders to maintain party discipline and their decisiveness in taking action they deemed necessary to avoid paralysis and decline in the party.

Gen L.B. Murdani said KOPKAMTIB believes that the action taken by PDI leaders to bring order in accordance with the party's constitution was appropriate. On the other hand, KOPKAMTIB also feels that the efforts that caused the PDI to be crippled, unstable, and pictured as in decline should be stopped.

The PANGKOPKAMTIB warned that there should always be alertness to concepts, aspirations, and viewpoints originating in Marxist philosophy or liberalism. Similarly, infiltration by aspirations and concepts that originate in narrow fanatical ideas and flare-ups of

frustration must be prevented. Nevertheless, the PANGKOPKAMTIB warned, excessive alertness motivated by personal or group interests will tend toward irresponsible slander.

PKI Rumor

Especially commenting on the rumor of involvement by several top PDI leaders in the G-30-S/PKI [30 September Movement/Indonesian Communist Party] or in other negative activities, the PANGKOPKAMTIB stated that so far there are no indications or signs that point to truth in the rumor.

The PANGKOPKAMTIB's statement was greeted with a roar of applause by participants in the MPP of the PDI DPP, because prior to the PANGKOPKAMTIB's lecture, PDI DPP General Chairman Drs Soerjadi had said several top leaders of the PDI, including himself, were accused of involvement in the G-30-S/PKI. This had been reflected, for example, in a letter of decision issued by the competing PDI DPP and signed by Thayeb Ali and Marsoesi for the dismissal of Soerjadi and Nico Daryanto. The letters of dismissal were based on an evaluation that the PDI leaders involved were directly or indirectly involved in the G-30-S/PKI.

"With this my official statement, I hope that the negative effect of the rumor that has been circulated can be neutralized, that all PDI ranks can be more united in cooperation without any cloud of doubt, and that plans for consolidation can be effected more perfectly," the PANGKOPKAMTIB said.

6942

Home Minister Reaffirms Support for PDI Chief *42130179e Jakarta SUARA KARYA in Indonesian* 28 Jul 88 pp 1, 12

[Excerpts] Bogor, West Java, SUARA KARYA—MENDAGRI [Minister of Home Affairs] Rudini stated that the government recognizes and will consult and coordinate only with the PDI [Indonesian Democratic Party] DPP [Central Executive Council] selected by the Third Congress and led by Drs Soerjadi, general chairman of the PDI DPP.

MENDAGRI Rudini, as supervisor of domestic politics, made this statement to participants in a plenary session of the PDI Party Consultative Council (MPP) on Tuesday night [26 July] at Kopo, Bogor, West Java.

MENDAGRI Rudini stated that the government's position will make clear to the public the role of the government in supervising sociopolitical force organizations and community organizations in general.

"Legality and constitutionality form the one principle always used by the government as guidance for supervision," said the MENDAGRI.

Emphasis on this position, the MENDAGRI said, means not tolerating any unconstitutional action, because such action would be contradictory to the spirit and soul of the New Order. On the other hand, the government's emphasis on this position should not be misused. The government has a moral obligation to warn an organization acting in violation of its AD/ART [constitution/by-laws].

"Here lie the importance and benefit of the protection, guidance, and encouragement given by the government in its political supervision," said the MENDAGRI.

6942

PDI Conference Supports Dissidents' Dismissal *42130179d Jakarta KOMPAS in Indonesian* 28 Jul 88 p 1

[Excerpts] Cisarua, KOMPAS—The dismissal of eight PDI members was upheld fully by a meeting of the PDI [Indonesian Democratic Party] Party Consultative Council (MPP) at Cisarua Wednesday night [27 July].

A PDI MPP session on Wednesday night decided to uphold all measures taken by the PDI DPP [Central Executive Council], including the dismissal of eight PDI members, of whom seven are members of the DPR [Parliament]. The eight [as published] DPR members whose dismissals were decided by the PDI MPP, and who are then to be recalled immediately from the DPR, are as follows: Dudy Singadilaga, SH [Master of Laws], MPA; M. Jusuf Merukh; Soeparman Adiwidjaja (all three from West Java); Drs Marsoesi (East Java); Thaib Ali (Aceh); F.C. Palaoensuka (West Kalimantan); and H. Kemas Fachroedin (South Sumatra). The other person dismissed from the PDI is M. Darwis, of Bengkulu.

The PDI MPP decision upheld PDI DPP Letter of Decision 121/KPTS/III/1988, dated 26 March, regarding the suspension of the West Java DPD [Regional Executive Council] and the dismissal of eight PDI figures.

6942

Scholars Call Criticism Through Parliament Ineffective *42130179f Jakarta KOMPAS in Indonesian* 28 Jul 88 pp 1, 8

[Excerpt] Semarang, KOMPAS—The government and the holder of power in the DPR [Parliament] are really the same. For that reason, criticism of the government channeled through the DPR is actually not effective. Criticism is more effective through the mass media, for the media articulate public opinion.

This is the opinion of psychologist Drs Darmanto Jt., who is better known for cultural activities.

In a separate interview, psychologist Dr Arief Budiman, who is now a sociologist, said he feels that criticism is effective only if it has a force of supporters. Criticism not made publicly often has no force behind it and ultimately is not heeded. This is especially so under present realities, in which political forces outside the government are too weak. What takes place in the DPR, therefore, is not criticism but merely suggestion. Thus, whether a suggestion is accepted or not depends on pity.

Darmanto Jt. and Arief Budiman expressed their opinions to KOMPAS as evaluations of a statement made by the spokesman of the ABRI Faction in the Indonesian DPR. The ABRI members of the DPR say that criticism is permitted but attention must be given to whether the way in which it is done is consistent with Pancasila culture or not. The ABRI Faction wants criticism to be presented directly rather than publicly.

Submitting Criticism

Arief Budiman mentioned a way that can be used if a person in authority misuses his power. "First, suggest correction. If the suggestion is not heeded, we begin open criticism." He said open criticism is supported by the force of public opinion and can also embarrass the official who is the target of criticism so that he is compelled to respond. "Private suggestions or criticism do not have such power of compulsion," said Arief Budiman, who now teaches on the campus of the UKSW ["Satya Wakana" Christian University] in Salatiga.

Nevertheless, Arief warned, the submission of criticism must be selective. "If it appears that the person can be corrected, it is indeed better not to criticize him publicly." If, however, it is no longer possible to correct the person and there is no likelihood he will correct himself, it is better to criticize him publicly, through the mass media, for example. "Thus the best and effective method of criticism must be looked at case by case."

Darmanto Jt. feels that procedures for submitting criticism should be clearly publicized. "Don't use the echelons of bureaucracy, which will only make it harder for the person submitting the criticism. A person will feel discouraged in the face of complex bureaucratic procedures, and in the end the willingness of the government to be open to criticism will be strangled by those procedures."

Darmanto said the method proposed in the statement of the ABRI Faction spokesman, namely that criticism should be submitted directly to the person concerned, could produce a "maze" of new bureaucracy. Criticism would be submitted via a certain person close to the one being criticized or via a person with more authority than the one being criticized. "Thus, in practice, the person making criticism would not directly face the one being criticized, but it would be done via someone else, who would then present the criticism to the intended person."

He stated in this connection that the "real power holder" in both the DPR and the government is the same. Criticism via the DPR, therefore, is not effective, said Darmanto, who is also a poet. Criticism can be effective only if presented by the mass media.

A Force Needed

In a tone similar to Darmanto's, Arief Budiman also stated that criticism via the DPR is not effective enough. "To be effective, criticism must have a supporting force. Therefore, criticism of the government is effective only if supported by a force that dares to face the government." In his opinion, the current constellation of political forces in Indonesia outside the government is too weak. Such nongovernmental forces are, for example, political parties, intellectuals, college students, labor, etc.

Under such a reality, criticism, including that made via the DPR, is not effective because it has no political force. "Criticism has no teeth," Arief said metaphorically.

What happens now in the DPR is not criticism but presentation of suggestions. "Whether suggestions are accepted or not is up to the one to whom they are given." Picturing the situation, he said, "Meetings for expression of opinion are merely ritual; there is never any force behind the opinion. If a meeting for expression of opinion is ever effective, it is only because the government takes pity." As an example, he said such effectiveness occurs if the government feels a suggestion is not too costly to accept. In other words, such criticism cannot effect change outside the interests of the government.

He noted that the government does not always represent the interests of the public. According to practical sociological concepts, the state never fully represents the interests of the public but is tied more to the groups in the government. The government therefore needs correction.

Arief Budiman stated that criticism does not yet exist in Indonesia, in the sense that there is not yet anyone who dares to argue with formal authorities in order to make change possible. What does exist is suggestion, and it has been proved clearly that a person making a suggestion is in a very weak position. "Why, then, is the DPR not yet capable of submitting criticism? It is because its sociological condition does not yet make it possible. To be honest, this is true not only of the DPR but of intellectuals as well." He feels, therefore, that if we want to see the growth of criticism, there must first be a growth of balance between governmental and nongovernmental forces.

Rival HMI Congress Held in Yogyakarta
42130164c Jakarta KOMPAS in Indonesian
7 Jul 88 p 8

[Text] Yogyakarta, KOMPAS—The 17th Congress of the HMI (Himpunan Mahasiswa Islam) [Islamic University Students Association] held in Yogyakarta from 1 to 6 July elected new leaders, with Tamsil Linrung (27 years old) as general chairman. He comes from the branch in Ujungpandang [Sulawesi]. He replaces Master of Laws Eggie Sudjana (29 years old) from the branch in Jakarta, who had completed his 2 year term of office.

Together with Mohamed Chaeron A. R. (from Yogyakarta) and Riyanto (Purwokerto) [Central Java], two members who established the new organization, Linrung was given the task of selecting a complete group of leaders over the next 2 weeks, following his installation in office by the presidium of the organization on 6 July.

This was contained in statements by former and newly chosen members of the Executive Committee of the HMI in Yogyakarta on 6 July. In addition to the former leaders and members who established the organization, chairmen of branches who support the congress held in Yogyakarta were also in attendance. They come from 13 branches of the HMI throughout Indonesia.

Master of Laws Eggie Sudjana, the former chairman, declared that his supporters did not want to be called a group of "troublemakers" [sempaian] or protesters but rather a group which continues to be loyal to the goals of the HMI, as proclaimed at the time of its establishment in 1947. Sudjana said: "For that reason the congress which we are holding is the 17th Congress, whereas the congress which is now going on in Lhokseumawe, in North Aceh, may be called the first congress of that organization."

The Yogyakarta Congress group and the Lhokseumawe Congress group split after the 16th Congress of the HMI was held in Padang [West Sumatra] in 1986. The Yogyakarta group had previously established what is called the MPO (Majelis Penyelamat Organisasi) [Organization Salvation Council]. However, the MPO was dissolved at the time of the 16th Congress of the HMI in Yogyakarta, which elected Eggie Sudjana as its general chairman.

At the congress held in Yogyakarta representatives of 13 branches of the HMI approved a report on the work of the former chairman which was contained in a white book of more than 200 pages. The report was signed by Master of Laws Eggie Sudjana as chairman and Muhammad Muskhi Zetha as secretary general.

Ready for a Dialogue

Tamsil Linrung, the elected general chairman of the Executive Committee of the HMI, said that his group will continue to be loyal to the founding principles and ideals of the HMI as announced at the time it was

established 41 years ago. However, his group is also prepared to enter into a dialogue with anyone else and especially with the Executive Committee of the HMI now holding a congress in Lhokseumawe, concerning matters of principle which later led to the split in the organization. In fact, a dialogue has already been held, but it led nowhere. Eggie Sudjana said: "We regret this very much."

The 17th Congress of the HMI in Yogyakarta approved long and short term programs and updated a number of organizational terms suited to the present situation. Among other things these included changing the term Nilai Dasar Kader (NDK) [Basic Cadre Standards] to Nilai Insan Kader [Human Cadre Standards]. At the 16th Congress in Padang these were changed again to the organizational program.

No Permit Issued

In that connection Col (Police) Dr A. A. Soegijo, chief of police in Yogyakarta, told a KOMPAS representative on 6 July that his office had not felt it necessary to issue a permit or even to make a recommendation regarding what was called the 17th Congress of the HMI, held in Kaliurang, a city in the mountains about 25 kilometers North of Yogyakarta. He also declared that he had never seen a permit from the police in Central Java or the Special Area of Yogyakarta or from Police Headquarters in Jakarta regarding this meeting.

In answer to a question as to what action is planned to be taken by the local police, Colonel Soegijo only said that his office is checking with its subordinate offices in the local police station in Sleman and the neighborhood police in Pakem regarding the meeting of members of the HMI referred to.

Knows Nothing About It

Regarding the holding of the Yogyakarta HMI Congress mentioned above, Saleh Khalid, former chairman of the Executive Committee of the HMI from 1986 to 1988, said that he knew nothing about the meeting. The legal congress of the HMI is the one being held in Lhokseumawe, as a follow on to the 16th Congress held in Padang 2 years ago.

Saleh said on 6 July in Lhokseumawe: "I have never heard of the Yogyakarta congress and know nothing about it." According to him, the former Executive Committee of the HMI has never heard of or received information on another 17th Congress, apart from the 17th Congress held in Aceh.

The HMI, which is now increasingly mature and consolidated as the largest organization of Islamic university students in Indonesia, will not be influenced by unconstitutional activities. Saleh said: "We will continue to hold firmly to the provisions of the constitution and bylaws in accordance with the results of the 17th Congress."

He added that if indeed there are people now who are making use of the name of the HMI for other purposes, that is not the responsibility of the HMI itself. Saleh said: "Perhaps those people only accept the HMI on the surface. However, their conduct is clearly a reflection of another organization." However, he did not mention the other organization he referred to.

Reports about the holding of a "Congress of the HMI in Yogyakarta" quietly became known to other persons attending the congress. However, most of them did not wish to comment on this question, because the report concerning the "Congress of the HMI in Yogyakarta" was regarded as an unsubstantiated rumor. Indeed, most of them were convinced that the appearance of another organization using the name of the HMI will be a matter for the government to handle.

05170

HMI Congress Opposes KAHMI Becoming Mass Organization

42130164b Jakarta *PELITA* in Indonesian 7 Jul 88 p 12

[Text] Lhokseumawe [North Aceh] (PELITA)—The 17th Congress of the Islamic University Students Association [Himpunan Mahasiswa Islam—HMI] decided to oppose the inclusion of the Korp Alumni Himpunan Mahasiswa Islam (KAHMI) [HMI Alumni] as a separate community organization (ormas) [organisasi kemasyarakatan], based on the system of active membership.

It was hoped that the KAHMI would return to its original spirit as a family type forum for friendship and communications among alumni of the HMI. This decision was taken on 6 July at a session of Committee I-A, which considers the constitution and bylaws of the organization. It will be submitted for approval to a plenary session of the HMI Congress in Lhokseumawe, after an extensive discussion and the exchange of various opinions.

It was stated later on that if the KAHMI continues to desire to become a community organization, it must change its name and no longer include the letters HMI in it.

Maintaining Unity

The reasons given by those attending the HMI Congress for not accepting the KAHMI as a community organization include, among other things, the fact that KAHMI activities, particularly those which are political in character, will be a psychological burden for HMI members and officials.

Throughout its history the HMI has sought to maintain unity and union between alumni of the HMI and so forth. Those attending the HMI Congress also hope that

the KAHMI, which has now registered itself as a community organization, should reconsider that action. This is because, historically, the KAHMI was established on the basis of the HMI, following the HMI Congress in Surakarta [Central Java] in 1966.

However, the congress left itself a way out if those alumni of the HMI who wish to engage in some form of activity would establish a new community organization not using the letters HMI. In this connection the law on community organizations could make this possible. A source who did not wish his name to be mentioned said: "The KAHMI is not the only form of organization for alumni of the HMI." He added that the status of the KAHMI should be reconsidered. It has already become a separate community organization with a system of active membership, has an organizational structure and leadership at the national level, as well as branch organizations. It has its own constitution and bylaws.

Those attending the HMI Congress also recommended to the new Executive Committee of the HMI to hold a meeting of alumni of the organization at the national level to review the question of the position of the alumni and the HMI.

05170

Regulation on Operation of Old Ships Deferred

42130165c Jakarta *KOMPAS* in Indonesian
11 Jul 88 p 2

[Excerpt] Jakarta, *KOMPAS*—Safe operation of ships will no longer be determined by the age of the ships but by seaworthiness. For that reason the government regulation limiting the operation of ships to those less than 25 years old is no longer in effect. It has not been canceled but only postponed.

Engr Azwar Anas, minister of communications, stated in an interview with a *KOMPAS* representative on 10 July that the implementation of ministerial Letter of Decision No KM/57/HK 404/Phb-84 has been postponed. It was issued in Jakarta on 29 March 1984 and established an age limit of 25 years for ships, following which they would no longer be operated.

The minister declared: "The government states that the implementation of this decision has been postponed."

In the 1984 Letter of Decision issued by the minister of communications it was provided that ships constructed more than 25 years ago were prohibited from being operated. As a result, a number of ships which were still seaworthy and had a classification of A-100 (perfect condition) were no longer permitted to be operated, were removed from the register of ships and navigable vessels, and were scrapped. Shipping companies suffered a rather substantial loss in property. Indeed, there were some which closed down, firing thousands of workers. The

businessmen concerned changed direction and entered other lines of business which they considered had greater legal certainty and a better future.

Minister Azwar Anas declared that the government is now more rational and is oriented toward a new way of thinking, that is, applying the factor of seaworthiness. A ship will continue to operate as long as it continues to meet the condition of safety of navigation, both in terms of its construction as well as its operating equipment. The minister said: "In saying that the implementation of the regulation has been postponed the government will no longer apply the condition based on the age of the ships."

05170

Chamber of Commerce Stresses Need for Implementation of Deregulation

42130171c Jakarta KOMPAS in Indonesian
20 Jul 88 pp 1, 12

[Text] Deregulation and debureaucratization have not been effective because they have not yet reached the provinces. This is not only because of the actions of some important provincial figures but also because provincial regulations have not yet been brought into line with steps taken in the capital.

In line with deregulation it has also been suggested that overprotection of Indonesia's large-scale industries be reexamined. Large-scale industry protection should be examined so that its products, including iron, steel and plastics, can be produced at competitive prices.

Businessmen who belong to the Indonesian Chamber of Commerce and Industry (KADIN) expressed these ideas at a working meeting with the Parliamentary Commission on the APBN [Draft Budget] held yesterday in the Parliament building. The working meeting was chaired by Aberson Marle Sihalohe, deputy chairman of the APBN Commission. The KADIN group was represented by its deputy chairman, Eric F. H. Samola, S.H. [Master of Laws].

"Deregulation must continue to be carried out, particularly to increase nonoil exports. In practice there are many sectors of the economy, such as transportation, imports and exports, finance and banking, capital investment, the stock market, etc., that need deregulation," said Eric Samola, representing KADIN's general chairman Sahid Gitosardjono, who is on an official visit to Kuala Lumpur, Malaysia.

Deregulation should also not be carried out all at once, and then never again; it should be done gradually. In that way it will not shake up and discriminate against the companies that are affected and that will have to adjust themselves to a less protected existence.

Small-scale Industries

KADIN also said that the industrial sector plays a very decisive role in efforts to increase nonoil exports. To increase the volume and the value of exported industrial products priority should be given to the products of small-scale industries, which have the highest increase in value.

"However, this increase will be achieved only if the products of large-scale industries, such as iron, steel and plastics, feedstocks for the small-scale industries, can be produced at competitive prices. Therefore, overprotection of large-scale industries should be reexamined," said Eric.

KADIN then discussed several obstacles which are the result of other areas that should be deregulated. For example, limitations on industrial permits, particularly in the provinces for industries which have the ability to compete internationally, such as handicrafts, children's toys, and certain industries which are strong in the areas of agriculture, navigation and forestry.

Relocation permits, private property regulations and building permits are also impediments. A zoning system should be set up. For example, an area zoned for industry should be subdivided into several zones so that permits do not have to be granted on a one by one basis.

KADIN also asked for easier bank funding of industries which are the mainstay of exports. This includes giving these industries direct and easy funding, provided that they fulfill the usual banking standards. In general bank loans are between 500 million rupiahs and 2 billion rupiahs. Another suggestion is that the DSP (List of Approved Projects) be changed to a negative list; it should list those businesses for which investment is no longer permitted.

Import and export procedures have already been simplified sufficiently, but carrying out these procedures in the field still meets with frequent obstacles. Further study must be given to deregulation for industries which are the mainstay of exports. For example, abolishing import duties on industrial components which are still hard to obtain domestically, relaxing import duties for materials in bulk, etc.

09846

Minister Discusses Need To Deregulate State Companies

42130167c Jakarta SUARA KARYA in Indonesian
18 Jul 88 p 1

[Excerpts] Present development and developmental demands require the government to reexamine the functions, tasks and role of the State-Owned Enterprise Board (BUMN). "What is needed is deregulation of BUMN work patterns with an emphasis on greater

management efficiency," said Drs Radius Prawiro, coordinating minister for EKUIN [economics, finance and industry] and developmental oversight, in Medan on Saturday [16 July].

After inaugurating the Tiara Convention Center in the capitol of North Sumatra, Radius answered reporters' questions by saying that in the near future all EKUIN ministers would hold a special meeting to look into BUMN work-pattern deregulation.

Radius said that many aspects of BUMN need deregulation. Improving BUMN work-pattern policies must be done carefully and with an eye to future development.

However, Radius did not explain the connection between the forthcoming meeting of EKUIN ministers and the results of last year's government investigation of the entire BUMN system.

The problem of increasing BUMN efficiency was discussed at length some time ago. In fact, the term privatization of BUMN, which people are still waiting to happen, was very popular at that time.

Meanwhile, Minister of Trade Dr Arifin M. Siregar, who was asked about the results of last week's investigation into trading companies within the Department of Trade, explained that the investigation is still going on. "I can assure you that Karya Nusantara, Inc., one of the trading companies within the Department of Trade, will be liquidated. It will take time to liquidate it because there is a procedure which must be followed. However, employees of the Karya Nusantara Company will be transferred to another BUMN," said Arifin.

Amalgamation

In his meeting with PTP [State-Owned Estate] IV directors, Radius emphasized government plans for amalgamation, i.e. fusing weak state-owned units, especially in the estate sector. When asked by the press whether amalgamation would also be carried out in the BUMN sector, Radius only said, "We're thinking about it; wait and see what happens."

09846

Granting of Credits to Weak Economic Group Simplified

42130165e Jakarta KOMPAS in Indonesian
15 Jul 88 pp 1, 12

[Excerpts] Surabaya, KOMPAS—In continuing to deregulate banking, the government has provided for several kinds of facilities to make it easier to extend loans to businessmen belonging to the weaker economic group. For this purpose the loan programs known as the KIK [Kredit Investasi Kecil—Small Investment Credits], KMKP [Kredit Modal Kerja Permanen—Permanent Working Capital Credits], and KMK [Kredit Modal

Kerja—Working Capital Credits], which were specially developed for businessmen belonging to the weaker economic sector, will be changed on 1 October 1988. The process of channeling funds to this group has been simplified, and the manner of administering the channeling of funds has been made more flexible, compared with the provisions previously in effect.

Under the new provisions the process of channeling funds is relatively unchanged at the level of the lending bank. Meanwhile the old provision controlling the process for requesting funds required that the application go through the Bank Indonesia. This was also the case with the use of the funds. Under the new provisions this will be more flexible. Whereas previously KIK and KMKP funds could not be combined, under the new system they can be combined and used in a fully flexible way.

The new policy on credits for businessmen belonging to the weak economic group was presented by Achmad Darsana, chief of cooperative and small loans at the Bank Indonesia. The presentation was made at the Bank Indonesia reception room in Surabaya on 14 July.

New and Old

There are several differences between the new and old provisions in extending loans to businessmen belonging to the weak economic group under the KIK, KMKP, KI [Kredit Investasi—Investment Credit], and KMK programs. In terms of the amount which this group has the right to receive, there is no change. However, from the point of view of the use of the loans, there has been a total change. Meanwhile, in terms of the interest rate, there is only a change for KI loans, with the new provisions increasing the interest rate from 12 to 15 percent for a period of 1 year.

These differences can be broken down in detail. That is, under the new provision the criterion for a small businessman to obtain KIK or KMKP credits basically is that his total assets must not exceed a maximum of 300 million rupiahs in all sectors. The old provision was based on net wealth. That is, 100 million rupiahs in the construction industry and 40 million rupiahs in other sectors.

Under the new provision the criterion for a small businessman seeking to obtain a KI/KMK loan is based on total assets amounting to a maximum of 600 million rupiahs for all sectors. In this connection under the old provision eligibility was based on net wealth composed of a maximum of 100 million rupiahs in the construction sector and 40 million rupiahs in other sectors.

The credit limit for KIK/KMKP loans is, respectively, 15 million rupiahs. According to Darsana, the chief of cooperative and small loans in the Bank Indonesia, under the old provision the two kinds of credits could not be combined when they were put to use. Meanwhile, under the new provision the two kinds of credit can be

combined with a value of 30 million rupiahs for each, which can be employed in a fully flexible way. The same is true for KI and KMK credits. Under the old provision they were divided in two, that is, KI and KMK credits, each amounting to 75 million rupiahs. Darsana said: "Under the new provision the two types of loan can be combined for a maximum of 150 million rupiahs and can be used in a fully flexible way."

Source of Funds

Regarding the source of the funds, this has changed a great deal. Previously, for KIK/KMKP loans, 20 percent was obtained from the BPK (Bank Pemberi Kredit) [bank extending the loan], 55 percent from the Bank Indonesia, and 25 percent from the World Bank. Under the new provision the composition of the funds is as follows: 20 percent from the bank extending the loan and 80 percent from the Bank Indonesia (55 percent provided by the Bank Indonesia itself and 25 percent by the World Bank.

Under the new provision the source of funds for KI and KMK loans is 30 percent from the bank extending the loan and 70 percent from the Bank Indonesia. Previously, the bank extending a KI loan was the source of 20 percent of the funds and 30 percent for a KMK loan. The remainder came from the World Bank, which provided 80 percent of a KI loan and 70 percent of a KMK loan. Under the old provision the rate of interest for a loan, except for those under the KI program, was previously 12 percent. It is now 15 percent annually. Meanwhile the system for providing liquidity loans has varied under the old and new provisions. Previously, a KIK/KMKP loan was based on an application from a customer as an individual. Under the new provision it is based on a credit line system, that is, the provision of liquidity loans in advance per quarter, on the basis of a net expansion plan by the bank extending the loan over the period of 3 months.

Meanwhile, the system for providing liquidity credit under KI/KMK loans was previously based on the application of a customer as an individual. The new provision is valid in the same way, with the provision that KIK/KMKP loans will be handled as mentioned above. From the point of view of the value of the credit facility provided to a customer who is a businessman from a weak economic group, there is no change. That is, for a KIK/KMKP loan with a maximum value of 30 million rupiahs and a KIK/KMKP loan with a maximum value of 75 million rupiahs.

Darsana, the chief of cooperative and small loans in the Bank Indonesia, hopes that through the new provision the extension of loans to the economically weak group will become increasingly easy and will increase. He said, in the course of a conversation with reporters: "Under the new provision bureaucratic obstacles will be abolished because the Bank Indonesia, as the central bank, will release funds earlier. A plan for extending credit, or,

as it is better known in banking circles, net expansion for 1 year, has been proposed by banks extending the loans. Under the new provision the Bank Indonesia will not be to blame for delays in extending the loan requested by the businessman in the weak economic group."

05170

Increase In Tax Revenues Reported

42130179b Jakarta KOMPAS in Indonesian
26 Jul 88 p 1

[Excerpt] Jakarta, KOMPAS—Tax revenues in the first quarter of 1988-89 were 400 billion rupiahs higher than in same period of 1987-88. This moderate increase in receipts may have been caused by an increase in economic activity, particularly in connection with exports, and by more active tax inspections.

"But if the quarter's receipts are related to the revenue target of 9.1 trillion rupiahs for the whole year, I can't say anything. At most, I can only say that I am neither pessimistic nor optimistic. We must still work hard to reach the target," Salamun Alfian Tjakradiwirja, DIRJEN [director general] for taxes, said in Jakarta on Saturday [23 July] in reply to a KOMPAS question.

Salamun did not mention the exact amounts of tax revenues in the first quarters of 1988-89 or 1987-88. He also said he had not investigated which factors were main forces behind the revenue increase. What is certain, he said, is that all types of tax receipts in the first quarter of this year rose moderately and that PPH (income tax) rose impressively.

The DIRJEN for taxes speculated, however, that the two main causes of the increase were expanded economic activity, especially in connection with exports, and the energetic way in which tax authorities examined the books of taxpayers.

In the case of PPH, for example, because export activity has increased since last year, many companies probably expect higher profits this year and thus have increased their monthly tax payments. As is known, the growth of PPH has been the most sluggish of the taxes because of the continuing slow national economy.

6942

Importers Association Urges Free Importation of Feedstocks

42130167b Jakarta KOMPAS in Indonesian
18 Jul 88 p 2

[Excerpts] Zahri Achmad, the chairman of GINSI (All-Indonesia National Importers Association), thinks that feedstocks for domestic industries should be imported freely; this will enable feedstock users to choose their suppliers themselves.

Zahri Achmad also told the press last Saturday night [16 July] that if feedstocks are imported freely, industrialists would then be able to budget their funds more economically. However, in order to use foreign exchange in the most efficient way control over feedstock marketing should remain in the hands of the government.

Zahri mentioned the importation of plastic feedstocks as an example. Up to now the government has appointed Mega Eltra, Inc. as the sole importer of plastic feedstocks. Many users of plastic feedstocks have complained recently that the domestic price of polypropylene has risen drastically to 500 rupiahs per kg.

Zahri Achmad said that an increase in the international capacity to absorb these feedstocks has also risen. The biggest purchasers include India, the PRC, Taiwan and Indonesia.

Unnecessary

Zahri Achmad said that price increases might be held back if users were able to choose their suppliers. GINSI praised a number of investors who arranged for the construction of polypropylene factories, such as Mega Polymer Industry, Inc., which has a capacity of 125,000 tons a year, and Asahimas Subentra Chemicals, Inc., with a capacity of 70,000 tons a year. These two enterprises will clearly guarantee the supply of feedstocks. It is hoped that solutions to these two problem areas can act as price stabilizers.

09846

Home Minister Speaks Out on Implementation of Racial Assimilation

42130165a Jakarta SUARA PEMBARUAN in Indonesian 9 Jul 88 p 1

[Text] Minister of Home Affairs Rudini considers that the action taken by the Central Office of the Communications Board for Living in National Union [Badan Komunikasi Penghayatan Kesatuan Bangsa Pusat—Bakom PKB] is not properly directed toward the goal of racial assimilation. This board needs to develop a concept of steps to be taken to lead toward assimilation.

He made this statement to members of Committee II of Parliament at a hearing in the Parliament building in the Senayan section of Jakarta on 7 July. The minister of home affairs declared that the government wants racial assimilation so that a citizen of non indigenous descent may live the culture of the community in which he resides. Therefore, it is no longer enough for the Coordinating Board of the PKB merely to be engaged in changing names or making speeches. Rather, it must be more concrete. It must "really get into the life of the local community."

According to Rudini, no more organizations should be established for those of non indigenous descent or aimed

at a kind of exclusivism, including organizations which urge them to abandon the culture and beliefs which they held in their country of origin. Rudini said: "They should join religious groups which are legally approved in Indonesia."

Time Needed

He admitted that this will take time. However, at least we must begin with those who are young and not with those who are old who came to Indonesia directly from their country of origin. In referring to the youth he said that he meant those who claim Chinese descent but, in fact, have never seen the mainland of China. He said: "For that reason the government hopes that the older generation will not leave this kind of legacy to the young, and we must guard against this."

Regarding the older generation, it is difficult to change them, whether this is due to their age or because they have naturally avoided it themselves. He added: "For that reason the goal of this development effort should be based on the young."

In fact, the new, younger generation, does not know much about this matter. Therefore, according to available information, the question of racial assimilation itself has caused conflict between the older and younger generation.

Among the ways in which the government may achieve the goal of racial assimilation he mentioned inviting them to go to public schools which are not set up for children of Chinese descent. Indeed, it is planned to settle them in housing areas which are not inhabited by a single group.

He said that, for example, a house would be so designed that the people living in it do not gather together in a single room. Rudini said: "This is so that they would not form one group or block."

05170

Minister Describes Ways To Cope With Ulama Shortage

42130167a Jakarta PELITA in Indonesian 18 Jul 88 p 12

[Excerpts] The shortage of ulamas [Moslem clergymen] cannot be overcome by the government alone; the people must also do their part to solve this problem. If society does its part, the problem can be overcome.

Munawir Sjadzali, M. A., made this statement at the inauguration of the Al-Hamidiyah Islamic boarding school in Pangkajene, Pangkajene Mas county, Depok City, West Java, on Saturday [16 July].

The minister said about the Al-Hamidiyah boarding school, which has tried to raise the quality of Islamic teaching and the level of Arabic instruction for its pupils,

that "This foundation will also teach Islamic teachers, not just those who have a command of religious science but also those who have a command of science in general, to fill in existing shortages."

"H. A. Sjaichu, chairman of the Al-Hamidiyah Foundation, has pioneered these noble efforts," he added.

Course for Ulamas

Munawir said that the ulamas have also been taking other courses in order to solve this problem. "In September the Indonesian Ulama Board (MUI) will begin teaching courses for ulamas. Alumni of IAIN [State Islamic Institutes] who have come out of a course of study in usyuluddin [tenets of Islam], syariah [Islamic law], tafsir [interpretation] and tauhid [the oneness of God] are eligible for such courses. Instruction at the Al-Hidiyah school is helping the government to produce ulamas," he said.

Munawir also said that it is necessary to produce prospective IAIN students. At this time there are many graduates of religious high schools who have no religious knowledge. In this special program 70 percent of the instruction will be devoted to religious subjects and 30 percent will be devoted to general knowledge.

Because of this limited religious knowledge there used to be programs of instruction at 20 MAN's [State Religious High Schools]. Another aspect of this problem is that the Department of Religion's budget was cut back to 64 percent of its former budget. Five model MAN's were opened up in Padangpanjang, Ciamis, Greater Jakarta, Jember and Ujungpandang. This program has been in effect for 2 years.

These special MAN's have 200 students and their results have exceeded the goals. Students in these MAN's are required to speak Arabic on certain days of the week. Those who do not are fined. The program will be evaluated next year. Graduates of these MAN's will have no difficulties in reading text books.

09846

Status of Indonesian Workers in Sabah Legalized

42130171a Jakarta MERDEKA in Indonesian
19 Jul 88 p 1

[Text] The status of about 20,000 of the 120,000 Indonesian workers in Sabah, Malaysia has been legalized. They now have job security and do not have to worry about being constantly pursued. Lt Gen (Ret) Himawan Sutanto, former Indonesian ambassador to Malaysia, made this statement at the Istana Merdeka [president's residence] after meeting with President Suharto today.

He stated that this legalization gives Indonesian workers in Malaysia a number of benefits, including access to health facilities, education, etc.

He said that there are about 200,000 Indonesian workers on the Malay Peninsula, and this legalization of their status is a first step, and so far it has all gone smoothly.

"Those who have not yet been legalized are not a problem; they will be taken care of gradually," he said.

He revealed that the technical problems involved in the legalization of these workers will be handled by both nations' immigration services thanks to good-faith efforts between the two related peoples.

He said that the problem of Indonesian workers in Malaysia, whether they work on plantations or in other economic sectors, will be solved.

Nevertheless, Himawan pointed out that this is only the first step in the solution to the Indonesian-worker problem and that he could not make a definitive statement at this time. However, nothing more should be heard about illegal immigrants in Malaysia now that this new regulation has gone into effect.

09846

Biographic Items on Military Figures, New Commands

Col Muliadi, Commander Division II Kostrad
42130171e Jakarta SUARA PEMBANGUNAN in
Indonesian 13 Jul 88 p 12

[Excerpts] Infantry Col Muliadi was inaugurated as commander of Division II Kostrad (Army Strategic Reserves Command), replacing Indonesian National Army Brig Gen Muslim Mussewa. The ceremony took place in the Operations Room of Kostrad Headquarters in Jakarta this morning with Kostrad Commander Armed Forces Maj Gen Soegito in charge.

Commander of Division II Infantry Col Muliadi's previous post was as a middle-grade officer at KODAM [Military District Command] IV Diponegoro Headquarters. Armed forces Brig Gen Muslim's new post is as Development Inspector in the Inspectorate General at Armed Forces Headquarters in Cilangkap.

**Brig Gen Amir Singgih,
Kodam Jaya Chief of Staff**
42130171e Jakarta SUARA PEMBANGUNAN in
Indonesian 18 Jul 88 p 5

[Excerpts] Indonesian National Army Brig Gen Amir Singgih was promoted to Chief of Staff of the Greater Jakarta Military District Command on Saturday morning [16 July], replacing Indonesian National Army Brig Gen Arie Sudewo, who was promoted to commander of Military District III Siliwangi.

According to Infantry Lt Colonel Sumekar, head of the information service of the Greater Jakarta Military

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District Command, Amir Singgih was territorial assistant in 1981 when Maj Gen Norman Sasono was commander of the Greater Jakarta Military District Command. Amir Singgih's most recent post was as deputy assistant for personnel at Armed Forces Headquarters in Cilangkap.

The new Greater Jakarta Military District Chief of Staff is a 1961 graduate of the Military Academy (AMN). He is married and has two children.

09846

Thai Business Partners Sought for Textile Joint Venture

42000455 Bangkok *BANGKOK POST* in English
25 Jul 88 p 36

[Text] The Vientiane Government has permitted foreigners to invest with state enterprises to improve and develop operations.

Vientiane Weaving Factory General Director Khamphanh Inthawong led a team of Lao trade and investment officials to Thailand last week to discuss with senior officials and private sector representatives the possibility of investment cooperation.

He told BUSINESS POST Laos was seeking Thai business partners to improve its textile factory and to invest in a plastic bag factory.

He said the Laotian Government had a policy of encouraging state enterprises to look for foreign investors to enter into joint ventures and after talks with Thai businessmen there is now a good opportunity for joint venture textile factories in Laos for export production.

Solve

The joint venture is expected to benefit the Thai side as Laos has no quota limits in export markets and this will help solve the quota shortage problem.

"At present at least three groups of Thai businessmen have joint ventures in Laos which are for small-scale textile production," he said.

He said Vientiane Weaving Factory was established in 1971. It only has 70 weaving machines and production capacity is limited.

The joint venture conditions include both the repair of the existing machines and installing another 100 new ones.

Laos is also seeking a joint venture in plastic bag production. The only existing plastic bag factory in Laos shut down when the Pathet Lao Government seized power. It has 20 machines worth 25 million baht which have been lying idle since the takeover.

The Laotian Government has decreed that this project will be run by the Vientiane Weaving Factory. But to launch the project the factory needs a partner who has the technological expertise and can supply raw materials.

Interested parties should contact 16 Sokpaluang Rd, P.O. Box 1370, Vientiane Lao PDR.

/12232

Soviet Official's Visit Brings Expectation of Closer Relations

42130170b Kuala Lumpur *BERITA HARIAN* in Malay
5 Jul 88 p 2

[Text] Kuala Lumpur, Monday [4 July]—It is hoped that the latest developments in the Soviet Union, especially changes in the economic structure, will open better opportunities to Malaysia for improving trade and economic relations with that country.

Malaysia is also giving serious attention to developing dialogues with the Soviet Union, Deputy Prime Minister Ghafar Baba said today.

He said the dialogues involving Soviet and Malaysian officials will help this country find a way to further strengthen bilateral relations and will create a deeper mutual understanding.

"I am confident that the recent restructuring of the Soviet economy will open more opportunities for improving trade and economic relations," he told the Soviet delegation that visited him at the Prime Minister's Department.

The delegation, which was headed by Deputy Chairman of the Soviet Council of Ministers V.M. Kamentsev, visited Ghafar for about an hour to discuss various issues involving the two countries.

The text of Ghafar's statements also declared that Malaysia is sincere in its efforts to strengthen relations with the Soviet Union.

The deputy prime minister said the Malaysian Government provides various incentives to members of the private sector for establishing ties with partners in the Soviet Union, and they are free to set up any relationship with that country.

"We do not exercise any control over foreign exchange, and private groups are free to visit the Soviet Union," he said.

Examine

Ghafar also welcomed the introduction of Soviet goods and technologies to this country and hoped Soviet exporters will be more active in this.

"The Soviet Union has potential for becoming an important trade partner for Malaysia and should make any change it deems necessary to this end," he said.

He also said that Malaysia agrees in principle to the formation of a joint commission proposed by the Soviet Union to examine obstacles to economic and trade relations between the two countries.

Ghafar Baba welcomed the proposal, which was submitted by Kamentsev in the discussion at the Prime Minister's Department here today.

He told the Soviet delegation that Malaysia is receptive to the proposal and will discuss it at the official level.

Malaysia also welcomed the Soviet offer to send scientific and cultural specialists to this country as part of an effort to raise the level of cooperation in these two sectors.

Datuk Abdul Majid Mohamed, deputy chief first secretary of the Foreign Ministry, said Ghafar assured Kamentsev he would study the proposal and hold talks on it at the official level.

6942

Fiji To Establish Diplomatic Relations

42130175C Kuala Lumpur *UTUSAN MALAYSIA* in Malay 11 Jul 88 p 6

[Text] Suva, 11 July—Fiji is planning to establish a diplomatic representation office in Kuala Lumpur, Prime Minister King Sir Domisese Mara told a Malaysian trade delegation visiting Fiji today.

The delegation, which is headed by Datuk Zainal Mahmood, chief director of the Malaysian Implementation Coordination Unit, is visiting Fiji to observe the true situation here and to find a way to increase two-way trade and investment.

A statement from the Ministry of Information quoted King Mara as saying that the diplomatic representation office would be opened in Kuala Lumpur "if circumstances permitted." A Malaysian clothing factory will begin production here next week, employing 200 workers. When it is in full production, the factory will employ more than 1,000.

The Malaysian delegation also met with Brigadier General Sitiveni Rabuka, the minister of home affairs who also is a military leader, after their discussions with King Mara. The delegation will leave Fiji on 15 July.

In 1987, Fiji imported commodities valued at 1.7 million Fiji dollars (about \$3.12 million Malaysian dollars) from Malaysia and exported goods to Malaysia valued at 30.2 million Fiji dollars (about \$57.2 million Malaysian dollars), most of which was sugar.

6804

Finance Ministry Official Announces AJDF Aid
42130175A Kuala Lumpur UTUSAN MALAYSIA in Malay 10 Jul 88 p 4

[Text] Kuala Lumpur, 9 July—Malaysia will get at least 830 million Malaysian dollars of the \$5.2 billion (\$2 billion U.S. dollars) in the ASEAN-Japan Development Fund (AJDF), said Tan Sri Zain Azraai Datuk Zainal Abidin, chief secretary of the Ministry of Finance, today.

Money from this fund is programmed to be channeled to the private sector within 2 months after a list of projects is established, he added.

Tan Sri Zain Azraai gave this information to reporters after signing and exchanging letters of agreement with Noburu Nakahira, Japanese ambassador to Malaysia, during an official AJDF launching ceremony held here.

Malaysia, which was the ASEAN's intermediary for ASEAN-Japanese relations, signed the letter of agreement for this group of six member nations involved in that fund which was announced for the first time by Japanese Prime Minister Noboru Takeshita during the ASEAN-Japan summit conference held in Manila last December.

The money, which will be granted for 3 years, will be obtained from the Japanese Overseas Economic Cooperation Fund (OECF) and from the private sector through the Japanese Export-Import (EXIM) Bank.

He added that Malaysia ultimately may obtain more than the 830 million Malaysian dollars since two of the ASEAN member nations, Singapore and Darussalam Brunei, which have comparatively higher per capita incomes, are not qualified to receive OECF loans.

Tan Sri Zain Azraai said Malaysian financial institutions that have been asked to determine requirements for which the loans may be used have organized a list which will be presented to Japan for consideration.

He said the interest rate for this loan, of course, is lower and more concessional than the 4 percent interest rate now being levied by the OECF and the EXIM Bank. This issue is being negotiated, he added.

The EXIM Bank now has levied a 0.1 percent interest rate which is lower than the present Japanese long-term prime rate for loans to Malaysia.

In his speech earlier, Tan Sri Zain Azraai said the AJDF package contains a special element, namely, that the Japan-ASEAN Investment Fund (JAIC) will directly finance overseas investment from Japan to ASEAN.

This will be handled by the Japan-ASEAN Investment Company (JAIC) and will be used for equity participation in new companies in ASEAN member nations.

If these companies achieve strong growth, the equity held by the JAIF will be traded on the ASEAN stock market or through other means, he added.

He said the AJDF has opened up a new dimension in Japanese relations with the ASEAN.

This fund, he added, was formed to provide the OECF and the EXIM Bank with funds for programs other than the development aid programs proposed now by Japan for ASEAN member nations.

This fund also introduces a unique element, namely, that the AJDF package is aimed at the development of the ASEAN private sector.

In his speech, Mr Nakahira said the AJDF meeting launching the loan illustrated the continued support of the Japanese Government to ASEAN development efforts.

6804

MCA Leaders Call For Learning From Taiwan at Investment Seminar

Ling Liong Sik on Loosening 'Red Tape'
42050033A Kuala Lumpur NANYANG SIANG PAU in Chinese 22 Jul 88 p 6

[Text] Communications Minister Datuk Dr Ling Liong Sik said our government will provide various facilities and continue to loosen the "red tape" to attract foreign investment, especially from Taiwan, into our country.

He made this remark while officiating at the opening ceremony of a seminar on "Taiwan's Foreign Investment" organized by the Federation of Malaysian Taiwan-Returned Students Association held at the Putra World Trade Center today.

Minister Ling said: "Our economy is turning for the better, having registered a growth rate of 7.5 percent in the first quarter this year. I hope the private sector in our country will take Taiwan as a model and grasp this good opportunity to make investments."

He said that the government will continue to provide all investment facilities and Taiwan is a good example where its people earn money and the country reaps a harvest in tax through the increase in development projects beneficial to the population. He added that Taiwan has scored tremendous economic progress in recent years which is worthy of our emulation.

The minister said that most of the factories in Taiwan are of small and medium scale, but they are bold enough to march forward to reach world markets and earn hundreds of millions of dollars worth of foreign currency for their country.

He indicated that Taiwan's agriculture is steadily making innovative progress and the country has become an authority on shrimp-breeding and fruit-grafting industries. This is a model Malaysia can learn from, he said.

Earlier, a representative of the Far East Trade and Tourism Center, Chao Hsing-chung, said in a speech that bilateral relationship between Malaysia and Taiwan has become closer and closer in recent years, while mutual visits by the people to each other's country has been rising steadily.

Mr Chao said that last year alone, 75,000 Taiwanese visited Malaysia, and more than 30,000 Malaysians made trips to Taiwan.

He also pointed out that in the past 30-odd years, Taiwan's investment in Malaysia never exceeded M\$40 million, but during the last year or two, the total of investment reached more than M\$120 million.

Tam Seng Hock, president of the Federation of Malaysian Taiwan-Returned Students Association, said in a speech that in the past 2 years there has been a great upsurge of investment in our country by Taiwan firms, obviously the result of vigorous "roping-in" efforts by our federal and several state governments.

He said that as a returned student from Taiwan, he is familiar with the conditions there. He said that our businessmen should grasp this good opportunity and earnestly cooperate with their counterparts in Taiwan in order to prepare themselves for the anticipated breakthrough in commerce or investment in the near future.

As to cultural matters, Mr Tam said that his federation will continue to hold more meaningful activities in cooperation with other nationalities.

Lee Kim Sai Cites Taiwanese Example

42050033A Kuala Lumpur *NANYANG SIANG PAU* in Chinese 25 Jul 88 p 14

[Excerpts] Labor minister Lee Kim Sai pointed out that whether or not a country's economic growth is healthy mainly depends on whether or not the country is industrialized; therefore, an industrialized economic program is an important factor to a country's economic stability.

Citing Taiwan as an example, the minister disclosed that during the past 10 to 20 years, Taiwan has transformed itself from an agricultural to an industrialized country. He said that only 5 percent of agricultural produce but 95 percent of industrial products of Taiwan are exported abroad. By virtue of such transformation, Taiwan's foreign exchange reserves have soared to \$72 billion, while Malaysia's have amounted to a little more than \$40 billion only. From this, it may be deduced the importance of industrialization to the economic stability of a country.

Lee Kim Sai, who is also deputy president of the Malaysian Chinese Association, was speaking at a banquet marking the 16th founding anniversary of Kong Hock Hin "Double Lion" Fruit Essence Manufacturing Factory last night.

In his speech, Minister Lee Kim Sai said that, like some other commercial enterprises, Kong Hock Hin is one of the companies in our country which has benefited after the New Economic Policy was put into practice, and there are many other companies that directly or indirectly have received the same benefit.

Speaking about the nation's domestic situation, Minister Lee said that, although nothing exciting has happened, yet the previously tense atmosphere has calmed down thanks to mutual understanding of the people, and that today the interracial relationship is also harmonious.

He explained that the issues for or against which the MCA energetically fought in the past are fair and reasonable, without whittling down the rights or alienating the aspirations of other nationalities. A good case in point was the incident of appointing teachers to senior positions in Chinese primary schools.

He pointed out further that if a country's security is in flux, no foreign investors would beat a path to it, and this would be a serious blow to the said country's economic development, and nobody would get benefit out of it.

He continued that in the wake of price increases of primary products, the income of our people, particularly plantation workers, will greatly improve. According to report, an owner of a 10 mu rubber trees now can earn M\$2,000 to M\$2,500 per month, which makes a world of difference if compared with 5 or 6 years ago when prices of primary products were at their lowest.

9300

Deputy Minister Kok Discusses NEP, Taiwan Investment

42050033B Kuala Lumpur *NANYANG SIANG PAU* in Chinese 24 Jul 88 p 1

[Text] Deputy Trade and Industry Minister Datuk Kok Wee Kiat said that the political and commercial aspects of the NEP [New Economic Policy] must not be mixed up, adding that commercial activities must be carried on as usual, while political struggles must not be slackened in order to resist irregularities in the implementation of this economic policy.

"We must resist the erosion of our fundamental rights in the fields of culture, education, language and religion; that's politics. We must grasp opportunities to strengthen our economic position; that's economics," he said.

Datuk Kok made these remarks while officiating at the opening ceremony of an "Industrial Management Forum" jointly organized by the National Taiwan University Club of Malaysia and the Federation of Taiwan-Returned University Alumni Associations with the main theme of "Absorbing New Thoughts and Concepts and Laying a New Economic Foundation."

The deputy minister said that although the political and commercial aspects under the NEP are interrelated, their demarcation line should not be confused, for the differences between them are quite clear. Therefore, in spite of the existence of the NEP in Malaysia, foreign investors keep coming here to put up their capital.

Datuk Kok said that the government has eased the provisions for NEP's implementation, whereby the amount of a foreign investment no longer constitutes the most important criterion; what counts most now is that the enterprise financed with foreign capital must be based on natural resources and its products geared for export.

He said that at present the government is energetically promoting wide-ranging industrial activities, that is, encouraging the development of manufacturing industries and simultaneously encouraging agriculture and tourism.

Datuk Kok divulged that in the first 5 months of this year, the Malaysian Industrial Development Authority [MIDA] received a total of 340 applications of industrial projects, involving paid-up capital amounting to M\$1,869,800,000, of which M\$890.4 million came from domestic investors, while the remaining M\$979.4 million belonged to foreign investment.

"This M\$979.4 million foreign investment is 4 times the figure of the corresponding period last year, and it is estimated that all these industrial projects can create 63,899 job opportunities.

"At the moment foreign investors are grabbing commercial opportunities in Malaysia, so domestic investors should not let opportunities slip by."

Speaking about capital coming from Taiwan, Datuk Kok Wee Kiat said that, like Japan and Hong Kong, Taiwan is making contributions to the development of Malaysia's manufacturing industries.

He said that Taiwan's incoming capital reached its peak in 1987, up by 10 times the amount for 1986. A total of 37 Taiwan investment projects were approved by the government last year, involving a capital of M\$118.6 million. These projects include electrical and electronic industries, plastics, and petrochemical industries.

Datuk Kok said that Taiwan's investment is on the rise this year and during the first 5 months, the government approved 23 Taiwan investment projects with capital totalling M\$20.1 million.

"The steady increase of Taiwan investors' interest in our manufacturing industries is attributable to several factors, one of which is Malaysia's establishment of a friendly relationship with Taiwan, including the setting-up of a Malaysian Trade Center in Taipei. These factors have caused the influx of Taiwan capital into our country."

Datuk Kok said that Malaysia will make greater efforts to attract more investors to come to our country and that Malaysia acknowledges Taiwan's contributions to the development of our small and medium-size industries. In this connection, Taiwan's rich experience may serve as positive contributions to the development of our small and medium industries.

Datuk Kok Wee Kiat said vigorously encouraging more foreign investment into our country may serve as one of the ways to lead Malaysia toward industrialization. Therefore, the government keeps examining its investment policy with the view to safeguarding the health of our investment climate for the benefit of foreign investors.

9300

Malacca Official Urges Greater Effort To Win Taiwanese Investment

42050031B Kuala Lumpur *NANYANG SIANG PAU* in Chinese 11 Jul 88 p 9

[Excerpts] State Senator (Wong Peng Ho), an official of the Malacca Investment Coordination Office, said there are signs indicating that Taiwan investors have become interested in investing in mainland China.

He said that he learned of this phenomenon after his recent visit to Taiwan, and that this new interest has something to do with cheap labor in the PRC and the open policy of the Taiwan government.

Therefore, he said, in our effort to attract Taiwanese capital into our country, we are faced with a new competitor. Our central and state authorities should make greater efforts.

Mr (Wong)'s recent visit to Taiwan was to pave the way for the forthcoming trip, scheduled for September, of Malacca Chief Minister Datuk Abdul Rahim aimed at attracting Taiwanese investors into Malacca.

He said that he would arrange for a seminar to be jointly organized by the chief minister and Taiwan industrial-commercial organizations with the view to letting potential investors have a better understanding of Malacca's fine investment climate.

Mr (Wong) also pointed out that not long ago a Taiwan newspaper published an article entitled "Latent Worries for Investing in Malaysia," and one of the worries is "anti-Chinese policy."

He said that such reportage has created misunderstanding among Taiwanese investors toward our country. To counter this erroneous report, it is deemed necessary for our central and state government to send a delegation to Taiwan and explain the true situation in our country. We should also arrange for Taiwanese newspapermen to visit Malaysia for firsthand observation, Mr (Wong) concluded.

9300

'New' To Be Eliminated From UMNO Name

42130175B Kuala Lumpur UTUSAN MALAYSIA in Malay 11 Jul 88 p 2

[Text] Kuala Lumpur, 10 July—UMNO [United Malays National Organization] divisions have been directed to discontinue using the word "new" often used after UMNO because the name of the organization was not so recorded when the party was registered.

Senator Datuk Hussein Ahmad, chairman of the UMNO Information Bureau, explained that the word "new" was never made part of UMNO rather the party was called the United Malays National Organization.

"There is no UMNO (new) or old UMNO. The UMNO (new) was not used in registering the party," he told reporters at a meeting launching the registration of Titiwangsa Division UMNO members at the Serbaguna Hall in the Datuk Keramat Ward here this morning.

At the same time, Datuk Hussein, at his own initiative, ordered that the word "new" following the letters UMNO be stricken immediately from the banners posted at this meeting.

Receiving thunderous applause from some 1,000 persons attending the meeting, he was aided by Titiwangsa UMNO members in striking out this word with spray paint.

Datuk Hussein said, "There is no new or old UMNO. The UMNO of today is like a vehicle whose license has been renewed, but it is still the same vehicle. This is true also of the UMNO."

Datuk Hussein did not reject the theory that the word "new" as in "UMNO (new)" had been used consciously by a certain group to confuse people because they did not want Malays to join the UMNO.

He also informed his audience that the second phase of the large-scale "storm operation" information campaign concerning the promotion of the UMNO to the Malay people, especially its members, had begun last night and would continue until 30 August.

Regarding the campaign for registering members, he hoped Malays would not be "nervous" about joining the UMNO merely because of the treachery of a small group of people against the party.

6804

Ghafar Denies Rumors Concerning UMNO's Goal

42130174B Kuala Lumpur UTUSAN MALAYSIA in Malay 10 Jul 88 p 1

[By Mohd. Nor Samad]

[Text] Melaka, 9 July—Deputy Prime Minister Mr Ghafar Baba today denied the allegation by some individuals that the UMNO [United Malays National Organization] was reestablished to turn this country into a republic using that organization as the base for its government.

On the contrary, he explained, UMNO leaders have never been interested in breaking up the institution of a constitutional monarchy.

He declared that the UMNO has and will continue to defend the position of the sultans.

Mr Ghafar, who also is the party's deputy president, gave this explanation to newsmen in response to a question about flyers that were being circulated widely alleging that the UMNO was reestablished as a base for creating a republic.

Meeting with reporters after he held a closed dialogue with state leaders in the Hang Jebat Hall at the Air Kerul Expo Center here today, he said, "These are just rumors aimed at setting the UMNO leaders against the sultans."

"Those flyers contain lies. They are an attempt to confuse the people."

Asked whether it would be necessary for the government to obtain a new mandate from the people in view of the problems that arose in the past, including the case of Tun Salleh Abas, Mr Ghafar replied that this would not be necessary since democracy has always been upheld.

According to Mr Ghafar, the government always practiced and defended democracy which is why general elections are held and why the by-election will be held in Johor Baharu next month.

"How much more democracy would you want?" he asked.

Concerning the allegation by some individuals that Prime Minister Sri Dr Mahathir Mohamad governs like former President Marcos of the Philippines, even more like him as far as the judicature is concerned, the deputy prime minister said Malaysia was different from the Philippines.

Absolute Power of the Conference of Rulers

When speaking in a seminar held in Kuala Lumpur last night, Mr Claudio Teehanke, former chief justice of the Philippine Supreme Court, said during the Marcos administration the authority of the judicature was eroded.

Concerning talk that the term of Yang di-Pertuan Agong would be extended, Mr Ghafar said he knew nothing of this and felt it was another rumor.

He explained that the prime minister did not have the authority to request that this term of office be extended nor could he advise the Conference of Rulers to do this.

According to Mr Ghafar, this is the absolute prerogative of the Conference of Rulers.

Regarding the suspension of five Supreme Court justices, he said it would have no effect at all on investment in this country.

He said the five judges would be tried by judges who inevitably would deal with them fairly and responsibly to uphold justice.

He said investors were confident that the judicial system in this country would always uphold the law.

"The political climate is not murky. Investors are confident that the country is stable," he explained.

6804

MCA's Tan Peng Khoon Elected Senate Deputy President

42050032C Kuala Lumpur *NANYANG SIANG PAU* in Chinese 14 Jul 88 p 1

[Text] Barisan Nasional member party MCA's [Malaysian Chinese Association] elder statesman, Datuk Tan Peng Khoon, today was elected deputy president of the Senate.

After a question-and-answer period during a Senate session, Minister Kasitah Bin Gaddam of the Prime Minister's Department proposed that Datuk Tan Peng Khoon be elected Senate deputy president, which was seconded by Husein Ahmad, deputy minister of the Housing and Local Government.

Thereupon, the newly-elected Senate President Abang Ahmad Urai requested that the proposal be put to a vote which was agreed upon and which turned out to be unanimous approval. Immediately afterward, Datuk Tan Peng Khoon accepted congratulations tendered him by other Senate members.

Datuk Tan, 63, was born in Singapore on 8 September, 1924.

His political life includes a stint as secretary of Johore MCA Combined Committee until 1980. From 1981 until 1983 he was vice chairman of the said committee, and he was promoted the chairman in 1985, a position he held until 1987. Concurrently, he was MCA vice president during the 1985-87 period.

Also, Datuk Tan was for three terms member of the municipality, district and state assembly in Bongkaran, Johore and in Segamat, Johore. From 1964 until 1982 he was member of the Johore Administrative Assembly.

In civic organization matters, Datuk Tan was President of the Johore Basketball Federation, chairman of the Johore Volleyball Federation, President of the Batu Pahat Golf Club and adviser to numerous Chinese associations.

Between 1956 and 1958, Datuk Tan and many MCA's older generation launched a vigorous political movement in Batu Pahat which led to his success as a state assemblyman after winning a state election. Thus began his political career.

Since 1959, he has been a Johore state assemblyman for five terms and member of the Johore Administrative Council for four terms. After the 1978 general elections, he became chairman of the Johore Public Works Committee.

From 1985 until 1987 this well-liked politician who is well-versed in English and Malay languages was chairman of the MCA's Johore Combined Committee and concurrently MCA's vice president, Central Committee member, Johore Committee secretary, and chairman of the MCA's divisions in Batu Pahat and Segamat. At one time he was also chairman of the preparatory committee for the founding of the Multi-Purpose Holding Company organized by the Johore MCA.

9300

By-Election To Be Held 25 Aug

BN Components Pledge Cooperation

42130174C Kuala Lumpur *BERITA HARIAN* in Malay 10 Jul 88 p 2

[Text] Johor Baharu, Saturday—Component parties of the Johor Barisan Nasional [National Front] (BN) today pledged their support and hard work to make sure that the BN candidate would win in the Johor Baharu Parliamentary District by-election on 25 August.

This pledge was given to Chief Minister Haji Muhyiddin Mohd. Yassin, who also is the state BN chairman, in a Johor BN meeting held here today.

"We shall make sure the seat for the Johor Baharu Parliamentary District remains in the hands of the BN," the chief minister told reporters after chairing the almost 1 and 1/2 hour meeting held here today.

He said he had directed all party components to set their wheels in motion as of now and to prepare full reports on their activities.

They have been asked to review in these reports voters' attitudes and their problems and to indicate what steps could be taken to solve these problems.

He said the reports would be discussed in a meeting to be held on 19 July.

Voters' Attitudes

"All component parties must work hard and make certain that the BN is victorious. They must cooperate with each other.

"This is the spirit that will ensure the victory of the BN candidate," he said.

Haji Muhyiddin is confident that the people will continue to accept the current government's leadership which is based on former and present BN principles.

"The BN fights for the people's interests without regard to nationality and tries to unify the multiracial population of this country.

"The BN was victorious in the past because the people understood and supported these principles," he said.

Concerning the selection of a candidate, he said the BN held to its decision to announce the name of the candidate on 11 August.

Haji Muhyiddin said the announcement will not be delayed although the BN candidate might be a new face.

Responding to another question, he replied that the candidate selected would truly be qualified.

"The BN selects good candidates, always taking into account whether they have any problems and whether they are ready to work for the people," he said.

DAP Decides Not To Participate

42130174A Kuala Lumpur *BERITA HARIAN* in Malay
10 Jul 88 p 1

[Text] Kuala Lumpur, Saturday—The DAP [Democratic Action Party] decided not to participate in the Johor Baharu parliamentary by-election which is scheduled for 25 August and asked "other third parties" to join them in this decision.

Mr Lee Lam Thye, DAP acting secretary general, today said the party would review this stand if "other third parties" participated in that contest.

Mr Lee said the party decided to do this after former Prime Minister Tunku Abdul Rahman appealed to all parties to agree that both factions in the UMNO [United Malays National Organization] should settle their dispute through this by-election.

In a scheme prepared for publication in *THE STAR* newspaper, the Tunku said, "It is my hope that parties (other than the UMNO) that are interested in participating in this by-election agree that the two factions involved (in the UMNO) fight each other to settle the fate of the UMNO."

The Tunku added, if other parties are interested in winning by getting the decisive number of votes, "they will not be acclaimed for their victory."

Mr Lee, who showed a copy of this plan to newsmen, said on 26 June the DAP had decided to enter the by-election, but "we are now ready to comply with the Tunku's request."

When asked whether any party would send a delegation to discuss this matter with the PSRM [Parti Sosialis Rakyat Malaysia—People's Socialist Party of Malaysia], which earlier had also announced it would like to compete in the by-election, he said it was up to the PSRM now to meet with the DAP on this matter.

Meanwhile, it is understood the PSRM will make a definite decision about participating in the by-election at its meeting in Johor Baharu tomorrow.

The by-election is to be held because Datuk Shahrir Samad, a member of Parliament representing Johor Baharu, resigned early this month. He will run as an independent candidate.

'Main Character' Shahrir Samad Interviewed
42050033D Kuala Lumpur *NANYANG SIANG PAU* in
Chinese 26 Jul 88 p 5

[Interview with Shahrir Samad by staff reporter Kiu Shujuan; date and place of interview not given]

[Text] One afternoon, I came across Datuk Shahrir Samad, the main character in the Johor Bahru by-election, in his free moments and I managed to have a talk with him.

Question: The by-election will be held on 25 August. Except for the Barisan Nasional which has not announced its candidates, the deputy chairman of the People's Socialist Party of Malaysia [PSRM], Abdul Razak Ahmad, has decided to throw his hat into the ring. In the triangular war, how do you size up the battle?

Shahrir: I'm a politician, and, to me, numbers games are nothing new. I feel it ludicrous that you should ask me how many votes I'll get from Chinese voters, that's really funny. But seriously, I always adopt a 50-50 attitude to anything, and this coming by-election is no exception.

Question: Not long ago, Johor Chief Minister Muhidin, who is concurrently chairman of the UMNO Johor Joint Committee, told members of UMNO's youth wing and women's group that the door to the New UMNO is still open. What is your reaction to such remarks made by a person who claims to be an independent MP and then as a person who has resigned from his capacity of an MP representing the Barisan Nasional.

Shahrir: Many people do not understand why I don't want to be an official. If I want to settle down, I still can become a member of Parliament. You want me to join the New UMNO? As a matter of fact, it's the New UMNO that has rejected me.

If they want me to join it, my condition is that the New UMNO accept our national father Tunku Abdul Rahman, Hussein Onn and others into the party. The New UMNO ought to be a party which does not restrict other people from becoming members.

But at any rate, even if I win in the coming parliamentary by-election in Johor Bahru on 25 August, I still cannot join the New UMNO. Just like Musa Hitam who doesn't want to join the party.

Question: Can this by-election be described as the first battle to be waged by the B-team of the old UMNO?

Shahrir: Many people consider me as a member of the B-team. I don't care what they say, but let me say this: The Johor Bahru by-election is the beginning, and there will be many other by-elections to follow.

Question: According to a saying, one must have a good name before sending out an army to fight. Could we talk about your condition?

Shahrir: I want to let the people to adjudicate my fate. Although I have no political party, the people still accept me, because my political record shows that I am a person who can render public service and that I am not a corrupt person.

Other people say that I tend to become arrogant and too serious, but the people can still accept me.

At the same time, I want to arouse members of the old UMNO to the lofty sentiments of the 1946 days when the UMNO was being founded, fighting hard for the Malays' rights and interests from the villages up.

Question: Although you have been an MP representing Johor Bahru for 10 years, yet many ethnic-Chinese voters will know too little about you. How do you view this point?

Shahrir: I do have many non-Malay supporters. I can only promise all voters that after my election I will render greater service.

Let me tell you the latest development. A number of members of the New UMNO women's group have asked me to chair a meeting in which they will announce their withdrawal from the New UMNO's membership. This is the reason why Datuk Mohamed Rachmat, New Umno's secretary general, recently issued a public statement explaining the causes for membership withdrawal by new members.

9300

Area Restriction on Tan Seng Giauw Lifted
42050032A Kuala Lumpur *NANYANG SIANG PAU* in
Chinese 4 Jul 88 p 8

[Text] Dr Tan Seng Giauw, vice president of the Democratic Action Party [DAP], has been given permission to leave Kuala Lumpur and Petaling Jaya to resume activities within the electoral district for the state assembly in Kelang.

For the first time since his release from detention last May, he surfaced at a dinner party marking Teachers Day jointly organized by the working committees of Kelang's four independent middle schools and development primary schools last night.

Dr Tan Seng Giauw, who is also an MP representing Katong district, was arrested during last October's big crackdown under the ISA [Internal Security Act]. He was released in May this year but his movement was restricted by the Home Ministry to Kuala Lumpur and Petaling Jaya.

Shortly after 8 pm, on 3 Jul, he unexpectedly appeared at a dinner party held at the Kelang Hokkian Association accompanied by some assistants of his constituency, which surprised many people present.

Newspaper reporters who were covering the event thought that Dr Tan was ignoring the Home Ministry's area restriction order.

Later on, however, Dr Tan disclosed to the reporters that he had applied for, and been granted, permission by the authorities to resume his activities in his constituency in Kelang.

He said that beginning this week he will carry on where he left off before he was arrested, that is to say, he will be at the DAP's Kelang municipality office to serve the people on Wednesdays and Saturdays.

Talking about the Registrar of Societies' order prohibiting the detained eight DAP leaders to assume their positions in the party's Central Committee, Dr Tan said that his party has made preparations to lodge an appeal with the Home Ministry.

He said that the DAP will continue to support wholeheartedly the other leaders who are still in detention.

9300

Chinese Teachers Request Release of Detained Leaders

42050033C Kuala Lumpur *NANYANG SIANG PAU* in Chinese 26 Jul 88 p 3

[Excerpts] In a meeting held in Kuantan today, directors of the All-Malaysia Chinese Teachers Federation and delegates of its subsidiaries unanimously adopted a resolution requesting the authorities to release their leaders detained since the big crackdown last October, including Dr Tuang Pik King, the federation's vice chairman; Dr Kua Kia Soong, advisor to the Guidance Office for Furthering Studies in Independent Universities; and others.

The meeting also requested the authorities to abolish all restrictions against Sim Mou Yu, the federations' chairman; Lim Fong Seng, chairman of Chinese School Trustees Federation; and other detainees under the Internal Security Act [ISA] as soon as they are set free.

The meeting also adopted the following resolutions:

1. Call for the government to keep its promise to abide by the three norms approved by the cabinet on 14 October last year, namely,

a. Only teachers with Chinese-language qualifications may assume senior administrative positions in Chinese primary schools;

b. Pending the acquisition of such qualified teachers, the said positions in the schools be left vacant, while those already there be speedily withdrawn; and

c. Thoroughly solve the problem first, before dispatching any more teachers to Chinese primary schools.

2. Appeal to the Chinese community, especially ethnic-Chinese political parties sitting in government, to pay close attention to the amendment of the 1961 Education Act and to strive for participation in the policy decision level in order to safeguard the existence and development of national education after the Education Act has been amended.

The meeting appealed again to the Education Ministry to designate the Chinese language as the medium for the training of teachers who are to be assigned to Chinese schools or primary-school teachers training classes. The meeting holds that teachers' training academies who do not use the Chinese language to train Chinese-school teachers are violating the principles of teaching and lowering the efficiency of teaching; furthermore, the repeated reduction in teaching hours of Chinese-language courses in teachers' training academies in July this year deserves the serious attention and fight of the MCA and GERAKAN parties with the authorities for a thorough, reasonable solution to the problem.

9300

MCA Youth Chief Criticizes Ethnic Chinese for Failure To Vote

42050031A Kuala Lumpur *NANYANG SIANG PAU* in Chinese 11 Jul 88 p 1

[Text] MCA Youth Chief Datuk Yap Pian Hon said today that more than 500,000 ethnic Chinese citizens forfeit their own citizens' rights, although they fully realize the tremendous influence of political decisions upon education, the economy, culture and job opportunities.

He said that some people refuse to register their names upon reaching voting age, while others do not come out to vote in a general election.

He said that if we do not vigorously take part in politics and play our roles through political organizations, but wait until the government has made decisions and squabble over the right and wrong of government policies in coffee shops—this will not affect the said policies at all.

Datuk Yap Pian Hon made these remarks while officiating at an informal discussion on "Chinese Youth Political Awareness and Participation" organized by four youth organizations at the government building in Sa'anam this morning.

He said more than 20 days have passed since a voters registration movement was launched, but, according to investigation, the reaction of ethnic Chinese youths is far from enthusiastic.

He pointed out that voters registration should be a duty and right of citizens in any country, and if one should forfeit his right as a registered voter, this is tantamount to sacrificing his own civil rights and letting others to decide his future.

He expressed hope that ethnic Chinese youths should learn from the youths of other friendly nationalities and enthusiastically rally around the voters registration movement.

Earlier, Datuk Yap Pian Hon pointed out that at the time of our independence, ethnic Chinese leaders vigorously fought for civil rights for no other reason than the absolute right to partake in our political affairs thereafter.

Looking sidewise at some neighboring countries in Southeast Asia, such as the Philippines, Indonesia, Thailand and Vietnam, it is noticeable that the Chinese population there do not want to get involved in the nation's politics, so even their own Chinese names and national characteristics can no longer be defended.

The Chinese in Vietnam thought it would be quite sufficient to control the country's economy, but who would have thought that economic strength alone could not serve as their protective talisman; as a consequence, under the impact of political power, these Chinese lost everything in one night and were forced to become "boat people" and escape to other countries.

He said that these factual examples should arouse Chinese society in our country to pay closer attention to politics and to actively participate in it.

In Datuk Yap's view, those Chinese who are dissatisfied with the status quo and migrate to other countries, and who cannot determine their own position in a country where 35 percent of its population is Chinese, will not be able to do anything in a foreign country where they belong to a minority group.

At the meeting, Datuk Yap showed concern over ethnic Chinese youths who adopt a cold attitude toward politics. He pointed out that these youths are more interested in faddish youth activities but assume a couldn't-care-less attitude toward politics. They are even ignorant about basic political and state affairs knowledge. He indicated that Chinese youth organizations and leaders should look squarely at this unhealthy situation and pool their efforts to rectify this trend. This is an urgent task which cannot be delayed any longer, but which must be tackled above all else, before it is too late.

He stressed that youths are the future masters of a nation, as well as its future hopes and motive force. They shoulder heavy responsibilities toward the country and control its future. Consequently, the youths should keep improving themselves, testing themselves and learning to become our successors as national leaders. He also appealed to Chinese organizations, whether political or otherwise, to shoulder the responsibility of nurturing young leaders, so that the youths can learn the tricks of leadership and play their assigned roles.

9300

Chan Siang Sun Asserts MCA Right To Represent Ethnic Chinese

42050032E Kuala Lumpur NANYANG SIANG PAU in Chinese 19 Jul 88 p 3

[Text] MCA [Malaysian Chinese Association] Vice President Datuk Chan Siang Sun today stressed it brooks no intervention that MCA's stand to represent the interests of ethnic Chinese coincides with the national conditions.

He pointed out that at a stage where the three major national member parties of the Barisan Nasional still represent their respective nationalities, the MCA cannot by itself relinquish its stand of representing the ethnic Chinese, because a nationality without the right of political representation may be likened to a fish without water which has lost its ability to control its own fate.

Datuk Chan said that MCA's right to represent ethnic Chinese are the same as the functions of Chinese civic and mass organizations in defending Chinese tradition and cultural heritage. Consequently, any person or body that tries to deny MCA's right of Chinese representation is tantamount to denying the *raison d'être* of Chinese mass organizations.

Datuk Chan appealed to Chinese society to coordinate themselves with MCA's unitarian characteristics, join their efforts, strengthen the structure of Chinese society and safeguard and consolidate Chinese tradition, so that their national political endeavors can develop brightly.

Datuk Chan, who is the minister of health, made the aforementioned remarks while officiating at the opening ceremony of the Malacca MCA Joint Committee annual meeting.

He pointed out that the partnership of the three major member parties of the Barisan Nasional in their struggle for national independence is living proof that in the process of national construction, they have successfully built a foundation out of interdependence, mutual understanding and trust, which cannot be denied by a pluralistic line concept.

He said that the registration of political parties and civic organizations are both subject to the restrictions of the Societies Act. Consequently, the unitarian characteristics of the MCA and Chinese mass organizations are related with each other. Therefore, if the MCA as a political entity no longer purely represents ethnic Chinese, the organizational structure of all Chinese mass associations will be seriously affected.

In defending the rights of the Chinese, the MCA is playing a decisive role in the characteristics of traditional Chinese societal structure. Therefore, the MCA strongly believes that its relationship with Chinese mass organizations is indivisible.

Datuk Chan pointed out that from Malaysia's founding history, we can discover one fact, that is, that from a stage without political guarantees we entered an era with political rights.

The fruit of enjoying political rights was the ideal gift the MCA has given to the Chinese community. This party actively participated in the struggle for national independence and the drafting of our constitution. As a consequence, ethnic Chinese today become Malaysia's citizens and enjoy the citizens' rights and duties as stipulated in the constitution, including the right to vote, the right to political participation and guarantees of property. All this is the result of MCA's historical responsibility and its best justification to the ethnic-Chinese compatriots, and at once dismisses the criticism purporting that the MCA hasn't done a thing for the Chinese community.

Datuk Chan stressed that what counts in democratic politics is power, and power comes from the masses. Therefore, a nationalistic party derives its strength from the people it represents. The MCA cannot afford to lose the support of the ethnic Chinese, and likewise the ethnic Chinese cannot lose their right to political representation.

The MCA firmly believes that the unitarian characteristics of Chinese mass organizations and the unitarian characteristics of the MCA are inseparable, for they share a common lot.

Therefore, the MCA has always been striving to promote the goal of unity among all ethnic Chinese throughout Malaysia, to pool their political force, strengthen its representation and, in the Barisan Nasional's spirit of consultation, more effectively defend the ethnic Chinese rights and interests.

9300

Ghafar Criticizes DAP on Poverty Issue
42130170c Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Jul 88 p 3

[Text] Kuala Lumpur, 4 Jul—Deputy Prime Minister Ghafar Baba today attacked legislators from DAP [Democratic Action Party] for not knowing about government plans for eliminating poverty in this country.

Ghafar said, "The House of Representatives has been meeting for years to discuss plans for eliminating poverty, but DAP still doesn't know."

In replying to a question by Fung Ket Weng (DAP, Sandakan) in the House of Representatives this afternoon, the deputy prime minister also expressed his astonishment and wondered whether DAP legislators are responsibly participating in House sessions.

Ghafar said further, "I regret that DAP does not know what the government has done to solve the poverty problem, because the House has met for years to eliminate poverty."

Main Item

According to Ghafar, the government has eliminated poverty without regard to communal group or religion and has made it the main item in the New Economic Policy (DEB).

To a follow-up question by Lee Lam Thye (DAP, Bukit Bintang), the deputy prime minister said that wealth and poverty are like the ebb and flow of tides.

As an example, he said that the incomes of rural residents improve when the prices of rubber and oil palm fruit rise on the world market, and vice versa.

Ghafar also stated, "The National Front government fights only for the people, but DAP looks for ways to make trouble for the government."

"See how DAP people asked the U.S. Government to withdraw the GSP [General System of Preferences] from Malaysia.

"And now the DAP representative from Bukit Bintang also is asking the Australian Government to put pressure on Malaysia," he declared further.

6942

Paper Views Privatization of State Enterprises
42050032D Kuala Lumpur NANYANG SIANG PAU in Chinese 17 Jul 88 p 2

[Editorial: "Privatization and Public Interest Should Not Be Contrary To Each Other"]

[Text] While officiating at the opening ceremony of a privatization conference the other day, Prime Minister Datuk Sri Dr Mahathir asserted that the government will not shirk its responsibility to society on the pretext of privatization policy. Fact has proven that the government still maintains its role as guardian of public interest. The prime minister admits that the privatization of public enterprises and services since 1984 has caused some worries, including the increase in service fees and damage to workers interest. It was for such reasons that

Zainal Rampak, president of the Malaysian Trade Union Congress [MTUC] voiced opposition to the privatization plan when he spoke before the same conference.

When the government drew up its plan for privatization, its main, professed objective was to lighten its financial and administrative burden in maintaining and expanding its service network and putting money into basic facilities. Secondly, the government wanted to encourage consumption, enhance efficiency and increase productivity in service industry. In addition, the government wanted, through contributions of privatization, to help realize the goals of the New Economic Policy. Basically, our people accepted the reasoning and concept of privatization. As long as implementation of the plan abides by the principle of fair and free competition, so that the entire people may enjoy all benefits and opportunities, it can be regarded as a feasible plan.

Up to now, government enterprises which have been privatized include the Malaysian Airlines System, Toto Lottery, Kelang Harbor Container Transportation Pier, Katong Mass Transit System, Malaysian International Shipping Company, Aero Airplane Repair Plant and North-South Highway—15 projects in total. The government has also set up a private company to take charge of telecommunication business, which will be completely privatized in the future. Other enterprises to be privatized are still under consideration. An official in the Prime minister's Department responsible for privatization work, Mohamad Hanafi by name, pointed out the other day that privatization does not merely mean that government enterprises are to be transferred to private ownership but it must be taken into account which government enterprises the private sector is willing to take over. The government hopes that through privatization, the people can enjoy lower prices, better goods and better service, and more equitable distribution.

As the prime minister aptly pointed out, concern over price increases can be minimized through efficient regulation and execution, while the price, quality and scope of service of monopolistic private services can be regulated. The prime minister also believes that under the privatization plan, workers cannot suffer losses, while their wages can be improved, depending on the performance of the privatized companies concerned. However, the president of the MTUC adopted a pessimistic view. Citing the privatization of the British Railway as an example, he believes that the privatization of a monopolistic essential service industry will not result in better quality or higher productivity.

At a time when we are expressing our trust in the government's plans and ideas, we cannot afford to be complacent about certain examples in foreign countries. The yardstick for the good or bad points of privatization is whether public benefit is or is not safeguarded and increased. The responsibility of the government cannot stop merely at the transfer of an enterprise, but, as the prime minister said, must continue with its supervision

and acceptance of feedback from public opinion. For example, after it was administered by a private company, the Malaysia Telecommunications Company repeatedly asked its telephone clients to pay an increased amount of deposit money, which has caused a lot of grumbling. After they were handled by private companies, certain owners of automobile parking lots often issued unwarranted tickets to car drivers who parked their cars there—much to the dissatisfaction of the latter. It would appear that public confidence in the entire privatization plan would be dealt a severe blow, if the departments or services prior to the privatization could not set good examples.

It is evident that the steady realization of the privatization plan is becoming wider and wider in scope and greater and greater in impact. How to guarantee its effective and reasonable implementation in order to reach its original ideals and objectives is something that we must not neglect. Last month the government entrusted a British securities company to make a 6-month study and draw up a general privatization planning. In light of problems arising out of the implementation of the privatization plan involving law, personnel, attitude and organization, as well as disapproving opinion, it is indeed necessary to launch a study and formulate a plan for solution now. This general planning should be able to guarantee that henceforth the privatization plan will coincide with national and public interests more than ever before.

9300

MCA Deputy President Lee Kim Sai on New Economic Policy

42050032B Kuala Lumpur NANYANG SIANG PAU in Chinese 18 Jul 88 p 5

[Text] The deputy president of the MCA and chairman of the party's Selangor-Federal Territory Combined Committee, Lee Kim Sai, said that Malaysian Chinese Association's stand toward the New Economic Policy [NEP] is that it ought to be an economic policy which brings benefit to the entire people. He said that at one time, the relations between his party and the UMNO [United Malays National Organization] turned cool, but now their relationship has returned to normal. He made these remarks while summing up MCA's activities at the annual meeting of the Selangor-Federal Territory Combined Committee. Speaking about the recent problem arising in the Judiciary circles, he believes that the question should be resolved according to the constitution. Regarding the problem of senior positions in Chinese primary schools, Lee Kim Sai urged the cabinet to approve the three conditions for appointing senior positions at Chinese primary schools, adding that should there be irregularities in implementing the conditions, his party will join hands with the Federation of Chinese School Trustees and Teachers to rectify the deviations.

9300

Sabah's Security Situation Reported Deteriorating
42050032F Kuala Lumpur NANYANG SIANG PAU in Chinese 19 Jul 88 p 7

[Excerpts] The influx of large numbers of foreigners into Sabah has caused a serious threat, especially to Sabah's security situation which has gone from bad to worse due to increase in criminal cases. Furthermore, these illegals also smuggle arms into the country, thereby escalating the seriousness of the situation.

Judging by the weapons confiscated from some bandits by the police, they are modern and fine, and pirates nabbed at sea even possess sophisticated offensive weapons, such as rockets.

The authorities are paying close attention to the influx of illegal people and the smuggling of arms, while the populace are worried about the deteriorating security situation.

These illegal arrivals also commit crimes, such as burglaries, robberies and even murders, and the newspapers carry such news practically everyday—much to the concern and worry of the general public.

Sabah has a long coastline, that is why it is relatively easy for outsiders to enter the country. Unfortunately, the influx of these illegals has caused much trouble to Sabah's society, as they also bring smuggled weapons.

Sabah's Deputy Chief Minister Datuk (Tso Teck Ahn) hopes that the authorities take effective measures by intensifying patrolling and eradicating crimes.

Datuk (Tso) said that if the security situation worsens, our investment climate would be hurt, which in turn would bring harm to the economy. Therefore, our security authorities should take effective steps to prevent the situation from getting worse.

On 31 July, the Chinese Chambers of Commerce in Tawau, Semporna and Datu areas will hold a combined meeting, during which the delegates will call upon the security authorities to pay serious attention to the situation in order to safeguard the lives and property of the people.

Recently, the Sabah security situation became an issue during a parliamentary session, during which an MP representing the DAP, named Fung Ket Wing, gave a spirited account of the worsening security situation in Sabah and urged the federal authorities to pay serious

attention to the problem. Mr Fung brought up a five-point proposal for the authorities to undertake:

1. Provide most modern weapons and intensify coastal patrolling by increasing the number of speedboats;
2. Dispatch more policemen to serve in Sabah to maintain local peace and order;
3. Establish a naval base in Sandakan and Tawau, and intensify patrolling work along Sabah's east coast to foil pirates' exploits and prevent Philippine refugees and Indonesian illegal immigrants from entering Sabah;
4. Send back to their country of origin all refugees and illegal immigrants; and
5. Negotiate with the Philippine government for an arrangement of effective, joint patrolling activities along the coastlines.

In reply to Fung Ket Wing's interpellation concerning the security situation in Sabah, Prime Minister/Home Minister Datuk Sri Dr Mahathir said that the federal government has adopted six steps in an effort to strengthen Sabah's security. They are:

1. Sea patrolling will be intensified in areas where pirates are known operating;
2. Air patrolling will be intensified over Sabah's eastern coastline;
3. PZ and PX police speedboats will be used on the seas bordering the Philippines to forestall encroachment of our territory from within and outside our territorial waters;
4. Field combat troops will be stationed on strategic islands;
5. Special task forces to be made ever-ready to wipe out pirates; and
6. Coordination with the Royal Navy will be made to carry out patrolling work.

The prime minister also indicated that the government comprehends the problem of illegal arrivals from foreign countries and will take effective measures to prevent their illegal entry.

The prime minister also pointed out that the government will never compromise with those illegal foreigners and that should they be discovered and arrested, they will be dealt with according to law and deported to their countries of origin.

Military Authorities Issue Report on Ouvea Attack

42190005 Paris *LE MONDE* in French 23 Jul 88 p 6

[Text] The following is the text of the 30 May report:

"After a week of investigations in France, supplemented by a visit to New Caledonia, the inspectors general, who have now returned, are prepared to set forth some certainties or probabilities concerning the following disputed points concerning the subject in question—the three Melanesians allegedly killed and the evacuation of Dianou Alphonse for health reasons.

The Three Alleged Deaths

It indeed appears that the counts taken several times in hasty and partial fashion at the site at the request of the government authorities was the origin of these suspicions.

In fact, in order to have a pressure point as soon as possible after the liberation of the hostages, the minister ordered the forces in the field to establish the number killed in the battle. (This was a Mr Bernard Pons, DOM-TOM minister in the Jacques Chirac cabinet, who had been sent to New Caledonia with 'full powers' by the prime minister. Mr Pons is currently president of the RPR group in the National Assembly.)

In view of the difficulties encountered in locating the corpses in rough and inaccessible terrain, the number of Melanesians killed was given out as 15.

It was not until after a methodical search had been completed by judicial police agents of the gendarmerie in connection with their investigation that the actual count, 18, could be established with certainty. (The first official count of Kanaka victims released on 5 May, after the attack on the grotto, said that 15 had been killed. It was not until the following day, Friday, 6 May, that the report of 19, and not 18, Kanaka deaths was put forth. To the 15 initially reported were added Alphonse Dianou, who died as a result of his wounds, which were doubtless aggravated by mistreatment and lack of care, and three others whose corpses were not officially recovered until later, in the environs of the grotto.)

The additional facts which the inspectors general can enter into the file with certainty are the following:

Lavelloi Venceslas was one of the two Melanesians found dead just at the entrance to the grotto. The other, the man who took the hostages, was killed by the sharpshooters at the beginning of the second attack.

As a result, there is every likelihood that Lavelloi was also killed in the course of this action.

In the negotiation phase between the two attacks, one seriously injured kidnapper was taken out of the grotto by two hostages. The Melanesians requested and were granted permission to place him in the middle of the crater where representatives of the forces involved could retrieve him.

It is practically certain that because of the seriousness of his wounds (lung and abdomen), he died relatively soon.

Evacuation of Dianou Alphonse

In the final phase of the second attack, GIGN soldiers were able to approach the entrance to the grotto. (The GIGN is the Intervention Unit of the National Gendarmerie, six members of which were taken hostage. They were Capt Jean-Pierre Picon, Sr Sgt Jean-Claude Dubois, and national policemen Bernard Meunier, Jean Pichegru, Xavier Leroy and Alain Guilloteau. The head of the GIGN, Captain Legorjus, who was later made commandant, had also been taken hostage but succeeded in obtaining his release by proposing to serve as a mediator.)

Forceful penetration at that time seemed extremely dangerous because of the almost zero visibility conditions following an intensive tear gas attack.

Instead, the members of the team demanded that the kidnappers surrender. Two of them, probably tea bearers, then emerged unarmed. They were immediately put to use as interpreters to persuade the kidnappers still entrenched in the grotto to surrender. When this appeal was rejected, the members of the GIGN unit approached the entrance to the cave, firing their weapons. The Melanesians then began to come out, one after the other. As they emerged, they were seized and were held in a group in the crater nearby.

When one of the kidnappers appeared, he was holding above his head an object which under the visibility conditions described and in the heat of combat might have been a weapon. It was at that moment that a GIGN soldier equipped with a riot gun shot him in the left knee. The wounded man proved to be the leader of the kidnappers, Dianou Alphonse, whom the gendarme recognized because he had seen him at close range when a GIGN team was taken hostage on 27 April.

The medical officer of the 11th Shock Parachute Regiment had him placed on a stretcher and applied a pressure bandage to the wound. The medical officer of the Hubert unit, which was also at the site, administered plasma intravenously and injected 15 mm of morphine. According to the doctors' later report, the injured man, who was in shock, had probably lost a great deal of blood, but the hemorrhaging had stopped.

After waiting with the other prisoners for a period of time which it is difficult to estimate but might have been about 30 minutes, the injured man was taken to the helicopter landing area on the orders of the officer in charge of guarding the prisoners.

This transfer, which took 20 minutes, was effected by four of the Melanesian prisoners, who carried the stretcher. It appears that the plasma apparatus was still in place, according to several witnesses.

The Parachute Intervention Squadron of the National Gendarmerie (EPIGN) officer whose assignment was to hold the zone and evacuate such personnel as might appear, sent Dianou to the prisoner regrouping point in Saint-Joseph, and not to Ouloup, where the ACP was located. (The surgical station was located at the Ouloup airport, 25 kilometers south of Saint-Joseph.)

In support of his decision, he says that he solicited the opinion of the GIGN medical officer. This last point requires confirmation from the physician in question.

On arrival, Dianou, who may have been removed from the helicopter without the exercise of proper care, was placed, on the stretcher, together with a group of prisoners alongside the church in Saint-Joseph, on arrival. On the orders of General Vidal, all of the prisoners, including Dianou, who was an object of curiosity, were taken by GIGN soldiers to a location near the school, in public view.

As the photographs taken by the intelligence officer of the PC on duty there show, the bandage was clearly in place, and Dianou's face, although contorted, showed no evidence of blows.

At that site, the prisoners, including the wounded man, were taken in charge by the commander of a mobile gendarmerie squadron which had been ordered to transport them by road to Ouloup, because of Dianou's injury.

It can be estimated that Dianou was kept in Saint-Joseph for about 30 minutes. The officer in question, it is alleged, went so far as to strike the prisoners, including Dianou, in the face. According to a number of gendarmes who were witnesses, the officer did not know who Dianou was.

When the convoy reached Ouloup, the gendarmerie officer in command of the zone and the physician present observed the following facts:

- Dianou's corpse was lying face down in the bed of a light truck (body warm, with no postmortem rigidity);
- There was no stretcher visible;
- There was no evidence of any bandage on the knee; and

—His face was swollen and bloody.

The Army chaplain who was also present there confirmed the essence of these assertions.

As a result, it can be asserted at the present stage in the command-level investigation that:

- Dianou was not evacuated in accordance with the procedures prescribed for injured personnel, although General Vidal had given strict orders to avoid any discrimination among the prisoners. He was handled in the routine fashion for Melanesian prisoners.
- Dianou suffered serious maltreatment between the time he was held in Saint-Joseph and his arrival in Ouloup.
- Dianou died in the course of his transfer by road.

Although it is impossible to establish whether the mistreatment he suffered caused Dianou's death, it cannot be denied that serious errors were committed both in the evacuation procedure and in the conduct of the officer in charge of the transfer from Saint-Joseph to Ouloup.

In conclusion, on the basis of the information obtained by the inspectors general from their investigation, during which they spoke with a hundred or so cadres and soldiers, it would be harmful to the French Army, its morale and its integrity to conceal what the Ouvéa affair really involved:

- Four men in the Fayaoué brigade were attacked and killed, and an officer was seriously injured;
- A number of hostages were taken, and the release of the majority could not be obtained through negotiation;
- There was an unsuccessful effort to bring about this release through lengthy negotiations with the kidnappers, in particular three among them—Dianou Alphonse, Dianou Hilaire and Lavelloi Venceslas, who were threatening and stubborn. In this connection, it should be remembered that they appeared numerous times to be on the point of executing the hostages, all of whom were constantly under the threat of violence.
- A remarkable military operation was planned and carried out after an impasse was reached in the negotiations, because of the increasing danger to which the hostages were subject.

All six of the hostages were released, safe and sound, at the cost of the life of two members of the 11th RPC commando unit, serious wounds suffered by two members of the GIGN, and the wounding of one member of the Hubert commando unit. (This point in the report of the inspectors general was subsequently denied by the National Gendarmerie itself. According to reports published on 9 May in LE MONDE and the weekly

POLITIS, the report should have included the fact that one of the hostages, Alberto Addari, a member of the mobile unit of the gendarmerie, who was at the entrance to the grotto with two other hostages prior to the second attack, was shot in the thigh by one of the attackers, who was a member of the Hubert commando unit. His injury was later complicated by phlebitis.)

It would be regrettable if this brilliant success, although marred, it is true, by inexcusable individual actions, were to be offset by a tendentious campaign designed to strike a blow at the military establishment and its

commanders and going beyond the justified disapproval of criminal conduct.

The inspectors general of the Army and the gendarmerie, who pursued their investigation with the objective truth of the real situation as their criterion, regard it as their role to guarantee the value of the French Army, and they solemnly appeal for the preservation of its integrity and for respect for the remarkable way in which it always carries out the difficult missions entrusted to it."

5157

Domestic Firm Offers To Lease U.S. Bases
42000459h Manila PHILIPPINE DAILY INQUIRER in English 31 Jul 88 p 13

[Text] A domestic company engaged primarily in property development has offered to lease the U.S. military installations in Pampanga and Subic from the Philippine government for \$1 billion annually.

The offer was submitted by Facilities Inc. to the department of foreign affairs a few weeks ago while negotiations for the extension of U.S. military presence in the country were going on in Manila between the U.S. and Philippine governments.

Facilities Inc. is a relatively new property company capitalized at P100 million. It is headed by Ramon. A. Pedrosa and Manuel K. Dayrit, company chairman and president respectively.

The offer also involves an upfront rental fee of \$1 billion.

It was not clear if the offer was meant to pressure the U.S. although Facilities officials said the proposal was premised on the withdrawal of U.S. forces from the Philippines.

Under its proposal, Facilities in joint venture with foreign investors will lease and develop Clark Air Base in Angeles City and Subic Naval Base in Olongapo into autonomous economic zones, similar to free ports, over a 50-year period at a cost of about \$15 billion.

Dayrit said the development of the bases into independent free ports would complement a similar proposal by Sen Teofisto Guingona which is pending consideration in the Senate.

According to Dayrit, Facilities has already made initial arrangements with foreign lenders and investors to syndicate the \$1 billion upfront fee to the Philippine government in the event the U.S. withdrew and its offer is accepted.

Pedrosa pointed out that the proposed zones would provide employment to one million jobs within the first five years, estimated exports of \$5.5 billion annually within the first four years and self-sufficiency for the Philippines in meat and dairy requirements.

According to company officials, various entities have already expressed a desire to join in the development of the base areas.

It was understood that a U.S. withdrawal would leave behind existing infrastructure facilities which include a highly sophisticated medical center and airstrips.

07310

Laurel Cautions Aquino on Ordonez Bases Opinion, Urges More Contact With Socialists
42000443g Manila THE MANILA CHRONICLE in English 24 Jul 88 p 5

[Article by Vet Vitug]

[Text] Vice President Salvador H. Laurel yesterday suggested that President Aquino should not hastily adopt the legal opinion of Justice Secretary Sedfrey Ordonez on the powers of the Executive to extend the bases agreement.

In a press interview at the Ninoy Aquino International Airport on his return from a 28-day trip to several European socialist countries, Laurel said Ordonez's opinion "should be studied carefully."

He urged the convening of the Council of State whose "collective wisdom" he said President Aquino could rely upon.

The Council of State is composed of ranking Government officials and representatives from the private sector.

Laurel said the presence of the U.S. bases in the country was one of the items he discussed with leaders of the Soviet Union.

He was accompanied by Salvador Lopez, former Philippine representative to the United Nations, in his talks with the Soviet leaders.

Laurel declined, however, to divulge the details of the talks, but said he would submit immediately to Mrs Aquino a report on his trip.

Laurel left the country June 25 and visited the Soviet Union, East Germany, Hungary, Czechoslovakia and West Germany.

"My visit has opened many windows of knowledge and understanding for me and I hope our Government and people would explore the possibilities of opening more such windows to the socialist world where more than half of the mankind lives," Laurel said.

Reading a prepared arrival statement, Laurel batted for expanded relations with the countries he had visited not only to enhance economic and cultural ties but also "to help advance the cause of international peace and security."

He said more contacts with socialist countries would strengthen the country's long-established relations with the non-socialist world.

"Just as the peoples and governments of the United States and the Soviet Union have affirmed that the cause of world peace has been advanced by the meeting

between Reagan and Gorbachev, so would a wider exchange involving our own leaders and those of other socialist countries benefit not only from our own national interest but also the larger interest of the region and the world," Laurel said.

/08309

Reaction, Opinion Divided on Aquino State of Nation Address

Congress Divided; Vigilante Order Discussed
42000446 Manila THE MANILA CHRONICLE in
English 26 Jul 88 pp 1, 6

[Article by Sonora Ocampo]

[Text] A cross section of the legislature expressed disappointment yesterday over President Aquino's state-of-the-nation address, saying her speech was "full of contradictions" and "streaming with generalities."

Senate Minority Floor Leader Juan Ponce Enrile said Mrs. Aquino's speech "contained lots of vague and indefinite proposals."

"It was a good speech. It was well-delivered. It contained some platitudes. It also contained some good intentions. But it also contained lots of generalizations and vague and indefinite proposals," Enrile said.

House Minority Floor Leader Rodolfo Albano noted "contradictions" in the address such as the President's positions on the insurgency and debt issue.

Albano said that while Mrs. Aquino exhorted victory over the communist rebels, she betrayed herself when she supported proposals by the military to form civilian volunteers nationwide to help in the counterinsurgency campaign.

Sen. Ernesto Maceda held the same views when he told reporters that the Bantay-Bayan and Citizens Armed Forces Geographical Units are the same paramilitary or anti-communist vigilante groups the President has ordered disbanded.

"The question mark here is whether the Cafgu or the Bantay-Bayan are going to be the same dog with a different collar," he said.

Maceda also said that the President was "misinformed" on the status of the insurgency. "If the insurgency problem is being solved well enough, why the necessity of getting help from the civilian sector?" he asked.

Rep. Felicisimo Payumo (Bataan) said there were reversals in the underground movement but pointed out that the Government had yet to crush the insurgency.

"I cannot say 100 per cent that everything is okay now and that we can relax since the roots of the insurgency still exists," he said.

Human rights advocates in Congress bewailed the apparent lack of firm commitment on the part of President Aquino to promote and protect human rights.

Reps. Anna Dominique Coseteng (Quezon City), Bonifacio Gillego (Sorsogon), Raul Roco (Camarines Sur), Gregorio Andolana (North Cotabato), and Edcel Lagman (Albay) observed that Mrs. Aquino downplayed the issue of human rights in her speech.

"I think she made a very passing statement on the protection and promotion of human rights. It is still a half-hearted commitment on her part to promote the cause of human rights," Lagman said.

Andolana warned that the military will be "more aggressive in violating human rights" because of the President's "vacillating" position on the issue.

The five lawmakers also described the President's speech as "hollow" and "more of generalities."

Roco, for instance, said that the President failed to provide the much-needed leadership for the legislature as he noted the "lack of philosophy" on the President's stand on the debt issue and human rights.

"I was expecting a leadership direction from her, but she failed to provide the guiding star to help Congress in legislating the right measures," Roco said.

Gillego, on the other hand, described that the President's speech as "inspiring and stimulating." However, "while it is strong on prognosis, it is weak in diagnosis. And when the diagnosis is wrong, the cure can be ineffectual and even damaging," he noted.

Andolana said that Mrs. Aquino's address betrayed her pro-bases position.

"Her openness on the issue of the bases is now closed," Andolana declared. "The President's statement that nationalism is more than the hectareage of the U.S. bases means that we can still be nationalists even with the retention of the U.S. bases here."

But the House leadership praised the speech of Mrs. Aquino as "sound" and "comprehensive."

Speaker Ramon V. Mitra said that the speech was "upbeat" and "showed that she has her ear on the ground."

"Overall, it is a report card which should get a rating from our people of excellent," Mitra said.

The speaker particularly lauded the President's ultimatum to Cabinet members to produce complete results on their department programs "or you're out."

Mitra said the House will help in monitoring the performance of the executive department.

Speaker Pro Tempore Antonio Cuenco said that the House will make the debt issue a top priority in its legislative agenda.

He said the House would adopt a measure that would ease the debt burden by limiting the payments of the foreign debt to not more than 10 per cent of the annual export receipts.

He also warned that the economy would remain stagnant if the Government did not act decisively on the debt crisis.

From the diplomatic community, U.S. Ambassador Nicholas Platt described the President's speech as "well-balanced, very thoughtful, and measured."

Asked if he thought the President in her address had disclosed her position on the bases, Platt said: "No, I don't think she has made up her mind yet on the issue."

In a related development, defense and military officials welcomed Mrs. Aquino's order to disband all illegally-armed paramilitary groups to reduce human rights abuses and crimes.

They said they will only allow such groups recognized and closely supervised by local officials through the Peace and Order Councils (POCs).

They said there are certain guidelines issued by the defense department on the formation of civilian volunteer organizations (CVOs).

Groups which fail to comply with the guidelines or are openly violating human rights and committing crimes will have to be disbanded, they added.

Other Reaction

42000446 Manila THE MANILA TIMES in English
26 Jul 88 p 6

[Text] Speaker Ramon Mitra, Jr. described yesterday as "upbeat" President Aquino's report to the two-chamber legislature.

Mitra said the President's statement proved that Mrs. Aquino had her ears on the ground.

For their part, leaders of the House opposition branded inaccurate Mrs. Aquino's report.

"The President's State of the Nation address was full of contradictions," said Minority Floor Leader Rodolfo Albano.

Senate President Jovito Salonga issued the following statement last night:

"The President agreed with us on our legislative priorities. Economic bills should be given top priority, particularly the management of the huge foreign debt, protection of small and medium business enterprises and the emphasis on rural development.

Defense Undersecretary for Reserve Affairs Eduardo Ermita said only the Civilian Home Defense Forces and other vigilante groups, not organized and supervised by the military, would be disbanded.

Pat. Rolando Rugay of the Northern Police District traffic bureau said Congress should now tackle the U.S. bases review as some of the people are very eager to know the stand of the government on the issue.

Jose Moragon, 41, a jeepney driver, said the present crisis from which the Filipinos were suffering today was attributed to the "quarrels" of the Cabinet members.

Western Police District officials said they would back the bill restoring the death penalty.

"We hope that the bill proposing the PC-police merger will be passed into law so that it will serve as a 'bond' between the PC and the police that will eventually bury professional jealousy, if there was any, and work for a common aim, that of peace in the four corners of the country," Col. Rodolfo M. Garcia, QC police station commander, said.

BIR Deputy Commissioner Eufracio D. Santos said one of the priority areas to be addressed by Congress were the economic bills that would "spur greater productivity, more employment opportunities."

Rizal Gov. Reynaldo San Juan said he supported the proposed Senate bill to put the Laguna Lake Development Authority into a coordinating council giving more authority to local governments instead of a corporate body.

Carlos Rivera, director of the Courts Employees Association of the Philippines, said Congress should give priority to the increase in salaries of court employees as what was given judges who received 100 per cent salary increases.

About 1,000 members of militant groups launched the "People's Alternative Congress" during a rally held at the Plaza Miranda yesterday.

INQUIRER Views Discrepancies

42000446 Manila *PHILIPPINE INQUIRER* in English
27 Jul 88 p 4

[Editorial: "Short on Applause"]

[Text] The State-of-the-Nation address which the president of the Republic makes at the opening of Congress to a joint session of the Senate and the House has traditionally served as an annual report on the achievements of the incumbent administration.

As a report card on the government's performance, it is naturally a flawed instrument. But it is also necessary. The administration rightly uses the opportunity to dwell on its successes, stressing the positive progress rather than the failures in execution and the gaps in implementation. Thus, even in the hands of a popular president, such a report raises the inevitable question from those who do not quite see things from the same perspective.

While President Aquino acknowledged certain disappointments and areas which needed improvement, the picture she presented must have seemed to many Filipinos as a bit too rosy to be realistic.

This is not to say that the Administration's assessment is off the mark or that the statistics with which she tracked the impressive gains of the economy were false. It is not likely that her data can be contradicted when she claimed that the GNP grew by 5.7 percent last year and by 7.6 percent in the first quarter of the current one; or that the industrial sector, by eight percent last year and 9.7 percent in the first quarter of the year.

These statistics constitute a requisite reading of the country's development. And it is the government's task to make known these gains. Most Filipinos have no access to such information unless the government makes it available. And such information is useful even to ordinary citizens, if only to consider another aspect of what remains to be a mixed picture at this time.

But both the government and the people need to recognize that situation. They may at times see only parts of the whole. For the great majority of Filipinos, GNP levels have no relevance to their existence unless the benefits filter down in ways that improve their lives.

The president noted the strong public sense that indeed the economy has gotten over the hump and significant breakthroughs now allow critical sectors to continue to move forward and grow. But there are still too many who are left out of the boom cycle that has overtaken the most progressive regions: Southern Tagalog, Central Visayas and Southern Mindanao.

The obvious need for redistribution programs can no longer be ignored. The government cannot trumpet the gains that are limited in their reach. It must intervene to

provide for a more equitable sharing. Unless growth is shared it will only exacerbate the economic inequities that are at the root of insurgency and social unrest.

Mrs. Aquino's claim that the insurgency has been broken must be tested on this ground. The military alone cannot turn the tide of battle. And this may explain why as the military posts tactical victories in the countryside, the cities have become more vulnerable to the combined assault of terrorism and criminality.

The President has set proper targets for both executive and legislative officials. Despite such a glowing report, however, the State-of-the-Nation address was not as warmly applauded as presidential speeches go. The speech was interrupted only twice with spontaneous applause. The proclamation of another action agenda recalled, for many, another speech which was cheered wildly, not only by the audience but by many more who read it afterward.

Last October 20, Mrs. Aquino spoke to the business community and promised action on a number of urgent issues. Executive performance failed to fulfill on that pledge. Now the President has announced that officials who do not fulfill their given targets must go.

And this time, the people have learned enough to hold back on the applause until they see results.

TIMES Supports 'Stern' Warning

42000446 Manila *THE MANILA TIMES* in English
27 Jul 88 p 4

[Editorial: "Stern But Fair Warning to Cabinet and Lawmen"]

[Text] President Aquino has given stern but fair warning to the members of her official family, as well as to military and police commanders, that they have to do their job efficiently and well or face outright dismissal from office.

The admonition, made by the Chief Executive and Commander-in-Chief of the Armed Forces in her State of the Nation address before the joint session of Congress the other day, had better not fall on deaf ears. It is not only the President who will be closely monitoring the performance of Cabinet members and responsible military and police officers. The people, too, are watching and waiting for results, and their patience and forbearance will certainly not last forever.

The President's two principal concerns are the economic well-being of the people and peace and order, particularly the problem of widespread lawlessness caused by poverty and the communist insurgency.

To the Cabinet, the Chief Executive has sent this terse message: "I say this to my department heads: Bring more of the new prosperity to the common people, produce concrete results on your department programs—or you're out."

To the military and police authorities, their Commander-in-Chief gave this equally stern warning: "I expect the military and police to arrest, not abet, the slide into criminal anarchy taking place under our noses. Targets will be set and I shall relieve those who fail to meet our people's expectations of peace and order."

It is of particular significance that the first applause from the audience came when the President issued her warning to her Cabinet. In fact, compared with her speech before the joint session of Congress last year, last Monday's address was not too loudly applauded. The cheers were too few and far between and in at least one instance the clapping sounded just too polite.

This was probably because the President's speech was somber in tone and grave in its import. But while she did not spare herself the agony of reciting the ills plaguing the country in her usually forthright manner, she was not sparing either in her effort to inspire public confidence in her administration as well as in the very future of the republic.

As far as can be gauged this early, the President's speech has been well received. Her emphasis on the need for a thorough housecleaning to rid the public service of graft and corruption was well taken. Her warning to those who may try to take advantage of their closeness to her and of their role in the fight against the deposed dictatorship, must be viewed as a declaration of total war on graft and corruption.

The President has erected the guideposts to mark out the paths her government will pursue to achieve the goals of peace and prosperity. We look forward to the translation of her words into action, so that the vision she has seen for her country will become a reality in our time.

BULLETIN on 'Courting' Masses

42000446 Manila *MANILA BULLETIN* in English
27 Jul 88 p 6

[Editorial: "Getting the Support of the Masses"]

[Text] When Ramon Magsaysay was voted to power overwhelmingly, he did not stop courting the masses. He continued to visit the provinces to give the people a taste of his presence. He adopted strong measures against graft and corruption, and this the masses liked very much because graft and corruption were even then old evils which previous administrations could not stamp out. Magsaysay also fought the rebels relentlessly even as he sought a peaceful solution to the conflict.

As we view the President's speech, we realize that she need not have gone to great lengths to list down the achievements of her administration because they cannot be disputed, especially the economic achievements. But since it was a state of the nation address, all those things had to be mentioned.

What was more important, however, were those passages which directly and indirectly tended to win the masses.

When a President shows the determination to fire high officials who are either incompetent or dishonest, when she inveighs against those who would cash in on their participation in the political campaign, and when she praises those who labor anonymously in the service of the nation, she will get the support of the masses because they are the things that the masses traditionally want leadership to do.

However, most leaderships do not do these things because they put more weight on the entourage than on the masses. They are the ordinary leaders and are recorded as such in history.

Success of Earlier Address Contrasted

42000446 Manila *BUSINESS WORLD* in English
27 Jul 88 p 4

[Article by Ninez Cacho-Olivares: "Falling Flat the Second Time Around"]

[Text] Mrs. Aquino's State of the Nation address and her speech delivered before businessmen last October are strikingly similar in that both speeches have been carefully crafted to produce attitudinal changes with the end view of winning back enthusiastic public support for her and her government.

Her October speech produced the desired results. Her audience, including the media, grown lukewarm due to her indecisive, weak and directionless leadership, suddenly rallied behind her. There were reasons for the burst of renewed enthusiasm and support: she vowed to lead the nation forcefully, pledged immediate action, swore that there would be neither favors nor funny deals in her government and generally assumed full responsibility when she created what she called a "committee of one" which had only herself as member.

Her October speech fell on fertile ground. Those were the very words the nation had been waiting to hear from her. There was renewed hope that from thereon, she would no longer simply reign. She would rule as president. From thereon, she would display decisiveness, unfold her vision and steer the nation towards the direction she had opted to take.

Attitudes quickly underwent a 360 degree turn. By simply reading a carefully crafted speech, Mrs. Aquino regained the much needed public support.

In her State of the Nation address, Mrs. Aquino tried to purchase the same results by bringing her audience back to the days of the February uprising with the country in almost-total ruin: much of her time was spent "clearing the rubble than building on the ruins."

Still, she claimed she had "laid with speed and care the foundations for a stronger and broader-based democracy" and had "applied the first measures for the resurrection of a virtually dead economy." But alas and alack, a coup attempt by the Right "wiped out the hard-won gains of a whole year and revived the nagging doubt that this country would have any future other than turmoil."

But not to fret: there were no regrets. The democracy she claims she had restored remained intact, despite the great losses sustained. Her mandate, she argued, was "not just to make a country rich but to make democracy work."

Having laid the framework, Mrs. Aquino enumerated her "achievements": a GNP growth of 7.6 percent in the first quarter of 1988; unemployment dropping from 11.1 percent in the fourth quarter of 1986 to 9.5 percent in a year; lowering duties on crude oil, rolling back prices, the success of the 1986 tax reform program and the privatization program generating P11.2 billion in gross revenue among others.

Like last year's address to Congress, part of her speech was devoted to the external debt problem, only this time she clearly acknowledged the need to maintain access to the international financial system, while at the same time finding ways of "funding our growth without being held hostage to our debt."

It is not clear how she intends to go about this problem. She apparently pins all her hopes on the so-called multi-billion, multi-sectoral aid plan which, unfortunately, has not developed even a thin epidermic layer to build dreams on.

Despite the debt problems that kept "one foot manacled," it was, said Mrs. Aquino, a year of action. Her idea of "action" was the hosting of the ASEAN Summit and the Conference of Newly Restored Democracies. She also claimed that this "action" year may be remembered as the "year the insurgency was broken."

She asked for the disbandment of the anti-communist vigilante groups which she once publicly endorsed.

However, she cited the urgent need for the armed forces to be supplemented by "unarmed Civilian Volunteer Organizations and Citizen Armed Force geographical units" as measures to be taken to "protect the people's security against Communist terrorism."

It is a contradiction of claims. If indeed the insurgency has been broken, surely there is no urgent need for the CAGU and the CVO to supplement the AFP.

For good measure, Mrs. Aquino relied on the same October strategy of drawing public support by vowing action and pledging to fire her department secretaries if they fail to produce concrete results.

Will she be as successful in altering the public's cynical attitude with her State of the Nation address? I have grave doubts. Already, many have commented that Mrs. Aquino is out of touch with reality, or that she has not been accurately informed on the true status of national problems, especially the insurgency. An expose made by Juan Ponce-Enrile and the DAILY GLOBE, which the military admitted was authentic, is sufficient evidence to dispute her claim that the insurgency has been broken.

Mrs. Aquino wants the nation to recapture the vision, the trust and the strength that was EDSA. It will be difficult, if not impossible, to heed her appeal. The historic highway has become, for the nation, the boulevard of broken dreams.

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Columnist Compares to NDF Address

42000449e Manila THE MANILA CHRONICLE in English 26 Jul 88 p 4

[Commentary by Paulynn P. Sicam in the "Heart and Mind" column: "Finding Out the True State of the Nation"]

[Text] The National Democratic Front delivered its State of the Nation address to the media last Sunday, a full day before President Aquino could deliver hers before the Congress.

The NDF's four page document typed in single-space is predictable in content and, as usual, difficult to plow through. Revolutionary jargon always is.

We also expect Mrs. Aquino's State of the Nation, to be predictable but we can expect it to be delivered on simple and elegant prose.

Style, however, is not what we're talking about here. The question is, which assessment of the State of the Nation is more credible to the people both the NDF and Mrs. Aquino are sworn to serve.

Every scientific survey conducted over the past 30 months will tell you that although the President's credibility seems to be waning, she still outstrips the insurgents in the polls. And, although Johnny Enrile and Kit Tatad will tell you that Satur and company are winning the war, many people will retort that this merely reflects on the capability of the military and not on the President.

Alright, but who is telling the truth in the two States of the Nation? Perhaps both are, to the extent of their perception of the truth. The NDF perceives the situation

from the limited perspective of an outsider looking in, in the light of their Marxist-Leninist ideology and their armed bid for power. Thus despite the 5.5 per cent growth in GNP last year, the charges that Mrs. Aquino has failed to lift the country from economic crisis. And, calling attention to the "general advance of the people's democratic revolution," the NDF has issued dire predictions of direct armed intervention by American troops in the insurgency war.

Mrs. Aquino, on the other hand, sees the State of the Nation from the seat of power. Although this might seem like a broad vista considering her position on top of the pyramid, it could have its own limiting factors such as incorrect reports from underlings, faulty analysis, and personel blinders.

Her rhetoric on the economy (improving), human rights (no policy of suppression), social justice (Carp, housing, free education, national drug policy, etc., in place), the U.S. Bases (options open until 1991), the insurgency (velvet glove and iron fist), graft and corruption (tell me who they are) and the foreign debt (we'll be good creditors but give us a break) are familiar to us by now. Although we may not agree with her wholeheartedly, we accept these as her perception of the truth.

It was not too long ago when Mrs. Aquino herself was in the opposition, challenging every claim by the dictator that the economy was well, that human rights were being preserved, that there were no political prisoners in the country, that the insurgency was under control and that charges of graft and corruption in government were a myth.

Now she is in power and not only the NDF but all kinds of people—some of them her supporters and friends—are challenging her position on and perceptions of these same issues. Now that she is in power, Mrs. Aquino has probably realized the folly in the opposition's relentless and unforgiving criticism of the ineptness and moral bankruptcy of her predecessor. For now she must labor under heightened expectations of a people eager for miracles.

Never having been in power, the NDF's rhetoric has not changed. It is still sweepingly self-righteous, pedantic and laden with value-judgments. "She cannot cover-up the basic truth that the Filipino nation remains in deep crisis ... that the nation is being ever more polarized along political lines," the NDF statement said.

The NDF bitterly accused President Aquino of "continued mendicancy and puppetry to U.S. imperialism."

"No amount of rhetoric about the restoration of democracy can convince the poor that things have changed for the better," the statement asserted.

Then, of course, there are the now familiar accusations that under the "U.S.-Aquino regime" the level of "state terrorism" has surpassed that of Marcos' time. The assassinations of "patriotic, popular leaders" and "numberless, unnamed ordinary civilians all over the country," the NDF said, "cannot be justified by the Aquino regime by blaming the revolutionary forces for the rising level of violence and terror engendered by its policy of total war."

Read that last convoluted quote carefully because it tells a lot about the revolutionary movement. If you look beyond the mystifying chicken-and-egg logic, you will find a thick layer of sophistry that dismisses all anti-insurgency acts of government as anti-people and therefore unjustified, and sanctifies all anti-government acts of the rebels as pro-people and therefore Salvific.

One way to read a statement from the underground, or any opposition group, for that matter, is that Government is always wrong, always at fault, always responsible especially for the errors brought upon itself by the other side.

This is not to absolve Government, however, of its shortcomings and wrongdoings. In fact, it would be useful at this point to figure out how to read the President's State of the Nation address. Like every imperfect leader in this imperfect world, she will advertise her accomplishments, imperfect as they are, and rationalize her Government's actuaciones, especially the unpopular ones, on the issues of the day.

Truth, after all, is relative. As graphically illustrated in the classic Japanese film, 'Rashomon,' truth like a diamond, assumes a different facet depending on where you stand. But what seems to matter in the Philippines at this point, is whose version—the President's or the NDF's—hews closer to the people's truth.

After this battle of perceptions of the true State of the Nation, I'd like to propose a debate on the state of the insurgency. The NDF can have Juan Ponce Enrile and Kit Tatad as its advocates against the red-faced tacticians and publicists of the Armed Forces of the Philippines.

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New Aquino Government Ideology Seen Notable 'Meagerness, Paucity of Concept'

42000449d Manila THE MANILA CHRONICLE in English 24 Jul 88 p 12

[Commentary by Malou Mangahas in the "Inside Malacanang" column: "The Administration Formulates an Ideology"]

[Text] Twenty-nine months into office, the Aquino Administration is finally paying attention to an essential thing—its very philosophical foundation.

Recently, the Office of the Press Secretary threw this task to its wordsmiths: fashion some sort of an ideology for the Government born at Edsa.

The word merchants responded by producing a manuscript titled "Principles of Governance," a skeletal document notable for its meagerness and paucity of concept.

"Having rebuilt the infrastructure of popular democracy," the document begins in an imperious tone, "the Government of Corazon C. Aquino now begins to integrate its resources in pursuit of its vision."

You ask, of what does this vision speak? Well, there are four goals ranked as follows (we don't know if they are in order of importance): peace, political stability, economic prosperity, and social equity.

"To get there," the document says, "it (government) resolves to continue to promote an efficient bureaucracy and a dynamic nation, and to govern according to the following principles:"

1. "Commitment to the national good. The Government recognizes that peace, security and prosperity could not be achieved unless it, as well as every citizen, put the national interest above all others."

2. "Pursuit of a just and humane society. The Government shall continue to work toward the establishment of a just and humane society through the equal application of law, efficient dispensation of justice, and respect for human dignity."

3. "More opportunities for the poor. The Government shall give the disadvantaged easier access to opportunities and basic services."

4. "People empowerment. The Government shall, notwithstanding its electoral mandate, continue to consult the people to ensure their genuine participation in decision-making and make them assume greater responsibility for shaping their future."

Lofty goals indeed, though the manuscript sounds like an eclectic social contract. At any rate, the ultimate test of policy is practice and these are the five domains of application of the four principles of governance: 1. as a "framework" for policies and programs; 2. as a "standard" in evaluating the relevance of projects and programs; 3. as a "guide" for the bureaucracy in dealing with its constituencies; 4. as a "declaration of Government's seriousness of intent and clarity of vision; and 5. as a "challenge" for the private sector to share the burden of nation-building.

We could only hope for the best results for this first serious attempt of officialdom to search itself for meaning and purpose.

A photographer overheard Senate President Jovito Salonga giving a piece of his mind to Foreign Secretary Raul Manglapus on Thursday at the Palace. "These Americans are too arrogant," Salonga said. Manglapus didn't say a word.

The comment may have been spurred by the Justice secretary's opinion on the "primacy" of the President over negotiations of treaties and international agreements that was reported that day. The Senate's anti-nuclear weapons bill, as everybody knows, has raised a major impediment to agreement between the Philippine and American panels in the ongoing bases review talks. Ordenez's opinion, which Salonga has challenged, tends to mollify the Americans' fears that Mrs. Aquino would readily consent to a ban on nuclear weapons that is clearly the "pulse and sentiment of the Senate" on the issue.

But where really does Manglapus stand on the bases, and on Ordenez's opinion? "The emotion of happiness is irrelevant," he said on Thursday when asked if Ordenez's ruling suits him.

Is the opinion the consensus of Executive officials? Manglapus, flippant again, responded that the Justice department is the Executive branch's "authoritative source" of interpretations of the many ambiguities of our Constitution.

In this case, it is obvious that "authoritative" is not quite synonymous with "consensus." If we go by his largely critical comments on the bases, it seems a Cabinet portfolio has cost Manglapus a lot. For the appointive post he traded with a six-year elective post as Senator, Manglapus has relinquished his freedom to disagree, or even to be happy.

Of course, this is true only if his brave words against the evils of the bases are true, and not just activist posturing as some already suspect.

Capt. Jose Salvacion, commander of the Alpha Company of the Presidential Security Group, hugged the front-pages days ago for his counsel that reporters should consider the President's moods before they spring an "ambush" interview.

To be fair, Salvacion's statement carried no prescriptive tone. It was one of several "observations" of the Palace reporters that he said he had heard from officials, including Mrs. Aquino.

In a dialogue with reporters on Monday, Salvacion showed that bad publicity does hurt a soldier and man of his caliber. Portions of his statement that day deserve publication, not only to give readers "the other side," but also because they raised very valid questions of media's omissions.

"I have been called names ... from an overbearing captain to human rights violator. I was even condemned publicly as a suppressor of press freedom," he wrote. But here's what should hurt media in turn. "In all this publicity, I was never asked by any member of the press for my side. They have rendered judgment on my person, which caused me sleepless nights, besmirched my reputations, and cast doubt upon my being a professional soldier."

Finally, a last dig, "The members of the press attacked me like a wounded tiger in the name of press freedom." Indeed, there is each man to his calling, he concludes. "But was there freedom suppressed when all I have to do is do my job as a security officer of the President?"

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MIDWEEK Editorial Laments Continuing Corruption

42000443a Quezon City *NATIONAL MIDWEEK* in English 27 Jul 88 p 1

[Editorial by 'JFL': "Culture of Corruption"]

[Text] Immigration and Deportation Commissioner Miriam Defensor Santiago, who once spoke of the office she heads as "a can of worms," recently expressed dismay over what she called the "culture of corruption" prevalent in government.

Manifestations of such a "culture of corruption" have lately been plentiful. While schoolteachers go on strike just to get the pitiful wages and cost-of-living allowances to which they are legally entitled, councilors and congressmen have been voting gargantuan salaries and honorariums for themselves. In addition to legalized plunder of this sort, the papers have been full of horror stories about anomalies and irregularities and under-the-table deals perpetrated by the post-Marcos crooks who have taken up where the Marcos cronies left off.

The latest revelations about government wrongdoing have come from Solicitor General Francisco Chavez, who recently attacked the Presidential Commission on Good Government (PCGG) for "a long trial of ineptness, incompetence and corruption" and for its "oppressive sequestration" of properties suspected of being ill-gotten.

PCGG chairman Ramon Diaz countered by accusing Chavez of "highly unethical and despicable behavior," as shown by his "inordinate interest" in a garments firm taken over by the PCGG; the firm is believed to be owned by Imee Marcos, the dictator's daughter, and Representative Jose Rono, the dictator's minister of local governments.

As solicitor general, Chavez is legal counsel for the PCGG in a string of cases. Anyone who wants to be legalistic about these things can fault him (as the PCGG commissioners do) for his rather unusual behavior: exposing and battering the very client he is supposed to be representing.

But being legalistic does not do away with the fact that allegations of corruption have been made, and that the public tends to believe these allegations. "There have been," as newspaper columnist Arlene Babst Vokey puts it, "just too many cases of stolen wealth getting stolen all over again."

The PCGG, created to seek out and recover the hidden wealth of the Marcoses and their cronies, is often described as a graft-buster. When the graft-busters are themselves perceived to be grafters, who can we turn to?

Out of the Prudente II ambush emerged a portrait of law enforcers as law-breakers. From the PCGG problem comes an added detail to the general picture of a bureaucracy energetically cultivating a culture of corruption.

The Aquino administration's civilian and military arms seem to be outdoing each other in undermining and subverting the "newly restored democracy" they are supposed to serve.

With such friends, who needs enemies?

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Mitra 'Would Likely Identify With' Rival Pimentel-Salonga-Manglapus Coalition

42000449a Manila *THE MANILA TIMES* in English 26 Jul 88 pp 1, 6

[Article by Didith Danguilan and Myra Pastor]

[Text] A number of solons have considered the new coalition being formed by a faction of the PDP-Laban, the Liberal Party and the National Union of Christian Democrats as a force to reckon with.

Speaker Ramon V. Mitra, Jr., said that any group composed of popular political figures was "something else."

Mitra was referring to a decision made by the PDP-Laban, Pimentel wing, to form an alliance with Senate President Jovito Salonga's Liberal Party and Foreign Affairs Secretary Raul Manglapus's National Union of Christian Democrats.

This developed as Manila Mayor Gemiliano Lopez, Jr. described the political maneuverings of top administration officials who are supposed to be instruments of unification as "premature, divisive and time-wasting."

Mitra said the new force was a party he would likely want to be identified with, particularly since it included three top political figures.

Congressmen Victorico Chavez, Dante Tinga and Renato Unico, all PGP-Laban members, supported Mitra's statement considering that the PDP-Laban was the strongest political party today.

Unico, however, did not specify if he meant the whole party or was referring to Pimentel's wing only.

Several other lawmakers from the House said the convention held at the PICC last Sunday was not officially sanctioned by Rep. Jose Cojuangco, the party's president.

They said the Sunday event was unauthorized, based on the party's constitution.

Rep. Herminio Aquino said Pimentel should be expelled from the group for convening without consulting the secretariat of the national assembly.

Rep. Jose Yap said the group was a mere faction, adding that he, together with other colleagues, still considered Cojuangco as president of the PDP-Laban until October.

The lawmakers also explained that most of the PDP-Laban members did not attend the Sunday convention because they had not been invited.

During the PICC meeting, the group also sought the ouster of Cojuangco as president and 19 other members because of their plans of joining a new group.

Tinga said the coalition of Pimentel, Salonga and Manglapus was a political party to contend with.

He stressed that the three leaders were all "political heavyweights" with their own grassroots following.

Referring to the political intramurals between the alliance of Salonga, Pimentel and Manglapus and the new Laban ng Demokratikong Pilipino, led by Mitra, Cojuangco and Local Government Secretary Luis Santos, Lopez said such preoccupation was too early for the next elections which would take place four years from now.

The unity of the nation would never be attained if leaders themselves were drawn into opposing political groups spending more time and energy on politics rather than facing the nation's serious problems, Lopez stressed.

Manglapus was to give his full time and attention to the bases negotiations, the nuclear issue and the promotion of international relations while Santos should work to enhance local autonomy and arrest the worsening national peace and order problems, Lopez said.

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Columnist Views Ramos' Image Makers
42000443e Manila THE MANILA CHRONICLE in
English 23 Jul 88 p 4

[Article by Paulynn P. Sicam]

[Text] Just when you think he's exhausted every possible gimmick in the book, Fidel Ramos comes up with another one. This week, we saw a picture of him in chef's hat and apron presiding over the cooking of a Chinese dinner at the National Press Club.

Although he likes to say coyly that he has no political plans, Fidel Ramos sure looks like a candidate for president. Ever since he retired from the Armed Forces and assumed a civilian job as chief of the Defense Department, Ramos has bloomed. Gone is the aloof chief of state. He has been replaced by a warm and talkative man who tries to connect with his listener.

The friendly and affable image is being helped along by what looks like a concerted media effort to humanize the general. Thus, we've gotten used to seeing him portray roles we associate with media's famous macho men.

He is the Marlboro man, who despite his age, looks good in faded jeans doing man's work in the field. The only difference is, instead of a horse he rides a helicopter, and he does the macho man in the ad by chomping on a cigar instead of a cigarette.

He is also the Abott vitamin man, aging but fit, running effortlessly up a trail, sweat glistening on his back.

When he floats down to earth on a parachute bearing gifts of beer and medicines for the boys in the field, he brings back the romance of the More cigarette commercial.

With every death-defying act, Fidel Ramos' image has become larger than life. "Wa-balls," a monicker the frustrated coup plotters in the military tried to pin on him, didn't stick. The label simply defied the public image.

There have been comparisons between him and John Wayne and General Patton. What more could a man ask for?

Which is why I was not prepared for that photo of Sec. Ramos last Monday as Stephen Yan, master cook in the TV show 'Wok with Yan.'

I heard that he showed up at the NPC wearing the hat and apron although he did not cook. But it made a good picture for page one.

While a chief's outfit may not seem like the proper costume change for a former chief of state, it is all part of the demilitarization of Fidel V. Ramos: Even if he is

secretary of the national defense, the general is, after all, a civilian now. And a very visible one.

It has been a busy time for the image makers who seem to be succeeding in making Fidel Ramos into media's idea of every person's kind of man.

I could almost hear the husky voice in the pomade commercial whispering: "My kind of man," as Fidel Ramos walked confidently into the University of the Philippines Faculty Center several months ago for a dialogue with skeptical academics which he dominated and turned in his favor. At the end of the two-hour session, the audience of students was cheering for him.

On another occasion, he was Mr. Transparent as he gamely opened his suitcase for inspection at the Ninoy Aquino International Airport prior to departure for Washington, in the full glare of TV and still cameras, of course.

In New York, he gave an impassioned speech tackling the military and human rights before the Asia Society, something his predecessors Juan Ponce Enrile or General Fabian Ver, Marcos' keepers of human rights, would not have dared in their time.

Closer to home, he was generously photographed walking into the mean streets of Jolo in his faded blue jeans, leather boots and tight-fitting T-shirt. There was also that report of him jogging "unarmed" in Mindanao, the press release made a point of saying, but followed by a few hundred soldiers, several military jeeps and an APC or two.

Then, of course, he displayed nerves of steel during those seemingly endless coup tries when he turned back putsch after putsch. Of course his attempts at disciplining the boys with push-ups and admonitions left much to be desired.

However, he also had some successes. After a particularly tense situation in November 1986, he ordered his arch enemy, Col. Greg Honasan, to shave off his ample moustache which made the colonel look deceptively innocent.

The morning after the exhausting day that was the Aug. 28 coup, he rose bright and early to jog around the burned out GHQ building which had been gutted the day before. He looked every inch the man in command as he outpaced the huffing newsmen and camera crews who were bent on interviewing him as he exercised.

Early this week, we heard him firmly rejecting the Bishops' call for renewed peace talks and a ceasefire with the Communist rebels. Two days later, however, he emerged from Malacanang upholding civilian authority by saying that since the President had responded favorably to the suggestion, he would abide by the Government position.

There is no more stopping Fidel Ramos. The legend is being enhanced every day. And all those who see him as a potential rival for the presidency better watch out.

Last I heard, Fidel Ramos had agreed to be filmed on an early morning jog for an anti-drug abuse commercial on the value of exercise. The ad is directed toward young people. The General seems to have all bases covered. And he is miles ahead of his closest competitor.

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Chief on Counterinsurgency Strategy, Maceda on 'Realigning' AFP Budget
42000449b Manila THE MANILA TIMES in English
26 Jul 88 pp 1, 6

[Article by Danny Florida: "Troops Closing In on Red-held Barangays"]

[Excerpts] Security troops are closing in on the communist-influenced barangays as the "operational focus" of the government's new counterinsurgency strategy.

Maj. Gen. Ramon E. Montano, PC-INP chief, revealed this last Saturday night as he lashed out at critics claiming that the military was losing the war against the Communist Party of the Philippines and its New People's Army.

Addressing the Rotary Club of Manila Midtown, Montano singled out "politicians, opinion-writers, self-styled analysts and instant military experts we find in the media today" as among such critics.

Meanwhile, Sen. Ernesto M. Maceda, assessing the insurgency situation, said yesterday there was "real, unabated war out there in the field," with some NPA-related "encounters" happening very recently in places only one hour away from Manila.

Montano claimed the government's new counterinsurgency strategy was the "right formula" that combines "government initiatives to remove the root causes of the insurgency."

He said the main thrusts of the strategy were:

- Military and police presence in the influenced areas to provide protection for those who are turning away from the CPP-NPA.
- Military actions to destroy the communist movement's combat elements.

Montano said by non-government organizations assist in providing rebel returnees livelihood. [as printed]

On whether the government was winning the war against communist insurgency, Montano said, "The answer is yes."

He said this was proven by documents seized from CPP-NPA central committee members, showing the assessment of rebel field commanders that the CPP-NPA had been suffering from "reverses in the loss of their mass support, the mass surrender of their regular combatants and the demoralization of their cadres and front organizations."

"The Armed Forces' performance record was not impressive," Maceda said. "The best we can say for the AFP is that it is trying, it has started to fight."

Maceda said there had been 2,700 NPA-related incidents from Jan. 1 to June 30, 1988 or about 10 daily. "That's a new high," he said. "One wonders whether the President, the Commander-in-Chief, is being told the facts of life."

In the light of the Armed Forces' performance, Maceda stressed, "the Senate will scrutinize the budget during the coming hearings and see how we can realign its budget and its special provisions to help effect reforms."

Maceda pointed out at a press conference that some AFP-NPA encounters occurred near Metro Manila, in places just one hour travel time to the Big City. He said these were "gateway places" to Metro Manila and thus the encounters were "very worrisome."

Maceda also said that, strategically, "we are doing well in Mindanao—only because the MNLF is dormant." But "the Visayan situation is muddled and, certainly, we are not doing very well in many areas in Luzon, notably in Southern Luzon, Cagayan Valley and even Bataan-Bulacan."

He said that while the Army had initiated more major encounters (with the enemy), it was also specially true that the NPAs "seem to have no trouble raiding municipal buildings and assassinating people."

/08309

Bataan Officials See PC Chief, Blame Manila for Anti-Insurgency Failures

42000449h Manila THE MANILA CHRONICLE in English 26 Jul 88 p 9

[Article by Greg Refraccion]

[Text] Balanga, Bataan—Local officials of this rebel-infested province blame the slow progress of the Government's anti-insurgency campaign on the "loopholes" in the prosecution of captured rebel ambushers, lack of police equipment, and the presence of military detachments in populated areas.

The Bataan officials addressed their complaints to Maj. Gen. Ramon Montano, PC-INP chief, who visited the province last weekend.

Addressing the officials, led by Gov. Leonardo Roman, Montano urged the executives to remove fear and its root causes. He said the military's role is only to give armed support to local officials in Government's total war against insurgency.

Rustico R. Mallari, provincial fiscal, complained that the main reason why NPA rebels charged in connection with the slaying of government troopers are acquitted is not because the rebels are innocent but those who are supposed to testify against them do not attend the hearings.

In response to Mallari's complaints, Montano reaffirmed his order that any soldier who disappears during the hearing of cases involving the military men and the rebels should be dismissed from the service.

Mayor Melanio Banzon of Balanga decried the continued collection by the National Government of 18 per cent share of the municipal government for the Integrated National Police.

Mayor Godofredo Galicia of Orani, where rebels recently raided the military detachment in Barangay Pantalan-Bago, drew sharp retort from the military officers when he asked Montano to order the relocation of that detachment to a less-populated area.

/08309

Report Details Military Success Against Pangasinan Dissident Groups

42000443b Quezon City NATIONAL MIDWEEK in English 27 Jul 88 pp 15-18

[Reported by Chito Claudio: "The Pangasinan Experience"]

[Text] Many people in Pangasinan are asking about the fate of the so-called cause-oriented organizations or groups, popularly known in the province as COGs. Local chapters of Bagong Alyansang Makabayan (BAYAN), the Human Rights Organization (HRO), the League of Filipino Students (LFS), Kabataan para sa Demokrasya at Nasyonalismo (KADENA), Task Force Detainees of the Philippines (TFDP) and the like have been unusually silent lately.

COG-sponsored activities used to be very common in the province, and for a time the COGs were significant role-players in the shaping of local politics. Today, however, one doesn't hear much about them—so much so that some people are asking if COGs, under Aquino's much vaunted "democratic space," have become irrelevant.

That, of course, would be the wrong conclusion to make. As long as there are issues affecting the ordinary Filipino, COGs have a reason to exist. The more appropriate question would be: What happened (and what is happening) to the COGs in Pangasinan?

To find an answer to this question, one doesn't have to go farther than the local military command. In its desire to whip the COGs into line, the military has employed diverse methods—from infiltration, harassment and threats, to red-baiting, disinformation and the abduction and salvaging of known cause-oriented leaders. It appears to have been successful in these efforts, not only isolating the COGs but also pressuring the groups' rank and file to detach themselves from their organizations.

All these maneuvers are part of what some people call the "total war" against COGs in Pangasinan. It is a strategy aimed mainly at polarizing the political forces in the province, and is part of the military's counter-insurgency program based on low intensity conflict.

And the strategy seems to be working. Today, any critic of the military or of the local government is automatically perceived to be siding with the insurgents.

Leading the province's counter-insurgency drive is Col. Romeo Odi, commander of the Philippine Constabulary and Integrated National Police (PC-INP) in Pangasinan. When the colonel took the helm of the provincial command, COGs dismissed him as somebody who would be more interested in jueteng operations than in running after militant groups. Subsequent events showed this was not a very accurate assessment.

The military's seriousness in isolating the COGs was demonstrated during a farmers' rally in Dagupan City on January 16, 1987. The rally was spearheaded by KASAMAK (Katipunan ng Samahang Magbubukid Laban sa Kahirapan), a militant farmers' organization quite strong in Western Pangasinan, which had been pushing for genuine agrarian reform in the province.

Just as the rally was about to start, pamphlets printed by the Philippine Anti-Communist Movement (PACM) were freely distributed. The pamphlets warned the farmers of the consequences of militantly demanding for genuine agrarian reform.

When the rallyists converged at the city plaza in the afternoon, individuals whom some rallyists identified as military agents were seen loitering near the rally site and at a nearby canteen. Some of those in the media photographers' group who kept taking snapshots of rallyists were also recognized as being in the military's payroll.

A slight commotion ensued when a little boy was caught distributing anti-farmer pamphlets inside the rally site. When questioned, the boy pointed to a man inside a snack bar as the one who had paid him to distribute the pamphlets.

Irked, KASAMAK leader Jess Berba lambasted the government and the military for intruding in a peaceful rally. In an apparent jab at the listening military agents, he cautioned his colleagues, in the vernacular, to "be careful of the flies that buzz around and want to stifle the shouts of the farmers for genuine agrarian reforms."

But insults and accusations never did bother the military, and the following months only saw the constriction of whatever elbow room the COGs had.

The houses of BAYAN members, including that of BAYAN leader Vic Labasbas, were frequently watched by car-riding armed men. BAYAN staffers also suspected that the local BAYAN office was under military surveillance.

Other COGs were not exempted from the military's "special attention." The local TFD office constantly had suspicious visitors who would inquire about sensitive matters regarding the organization, and TFD staffers had a strong suspicion that the office phone was bugged. Also, whenever they inquired about detainees or military activities, military officials gave them the run-around. Fieldwork had also become risky, and TFD fieldworkers were often warned to stop confirming reports if they didn't want something to happen to them.

Members of the farmers' group KASAMAK, on the other hand, were accused of being communist rebels or rebel sympathizers. Military men often made surprise visits to the farmers' houses, and there were instances when KASAMAK buses on the way home after a rally were stopped by the military. In some cases, government soldiers manhandled farmers.

Urduja House is Pangasinan's version of Malacanang. It is the current office and residence of Governor Rafael Colet who, before he came to occupy the place, was very close to the COGs. He had been an ally in the COGs' struggle for better provincial administration. When the COGs later pushed for the replacement of then OIC Governor Demetrio Demetria, they recommended Colet, then OIC vice-governor, to the position.

But the trappings of high office and the power that went with them seem to have gotten in the way of Colet's relationship with the COGs. Little by little, he detached himself from his former allies, and it soon began to appear from the COGs' point of view that they had been used by Colet for his selfish interests.

The COGs, however, gave Colet the benefit of the doubt, and on February 25, the cause-oriented group PANGACO (Pangasinan Alliance of Concerned Organizations) led by Bishop Edilberto Bautista gave the governor a list which the group called the "Pangasinan People's Demands." The list contained some of the

urgent issues in Pangasinan that needed the governor's attention. Colet vowed to act on the matter immediately, and gave the list to his executive secretary. Nothing has been heard of it since then.

After that incident, the COGs steered clear of Colet, saying he was no better than his predecessor.

The split with Colet necessarily also split the ranks of the COGs. Some COG members had already stayed too long under the governor's shadow to extricate themselves from his influence, while others had found lucrative government jobs under Colet. The former local BAYAN secretary general and a few other COG members, for instance, disengaged themselves from their organizations and worked full-time as Colet's staffers.

Meanwhile, the military prepared for its war against the COGs. The military planners knew that the only way to defeat the COGs was to isolate them from the mainstream of Pangasinan politics.

The military launched its war with massive anti-COG propaganda. Local chapters of BAYAN, LFS, KADENA, HRO, TFD and KASAMAK were tagged as fronts of the National Democratic Front. The military also embarked on a campaign to divide the ranks of the COGs with the use of infiltrators.

A November 14 AFP-NPA encounter in Pugon-Sili, Mangatarem, that resulted in the death of 11 government soldiers triggered the third—and most brutal—phase of the military campaign.

Three days after the incident, BAYAN's Vic Labasbas was abducted by armed men right in the middle of the busiest street of Dagupan City. Labasbas remains missing at this writing.

Although Labasbas' abduction became a rallying point among the COGs, it also started stories about more abductions. Little by little, even some of Labasbas' close associates began to distance themselves from the COGs.

On February 17, the COGs reeled under the weight of another tragedy. Jess Berba, KASAMAK leader and a good friend of Labasbas, was felled by military bullets. The ensuing military reports tagged the peasant leader as an NPA member.

With the specter of death hovering over them, COF members began to take inactive status. The former BAYAN-Pangasinan chairman, for instance, reported that he was receiving death threats. He resigned shortly from BAYAN. Another COG member who used to be a staunch human rights advocate dissociated herself from COG activities and began criticizing her former colleagues in the human rights movement.

But the reality of infiltrators among their ranks was the most difficult thing COG members faced because it necessarily meant being suspicious of some of their most trusted and treasured friends. A case in point was the daughter of a police chief who got herself so attached to COG members that they started calling her "ninang." She was later alleged to be a military informer involved in Labasbas' abduction.

On the other hand, there were also cases where mere suspicion ruined the credibility of some otherwise well-meaning people. One such case was that of a BAYAN staffer who, while working for a pharmaceutical company, had devoted part of his spare time to cause-oriented activities. When his company transferred him to Cebu, he asked his good friend Vic Labasbas, the abducted BAYAN leader, to explain his absence to their colleagues. But although he kept writing letters to his colleagues in Pangasinan, nobody answered back. This puzzled him, and when he came back during the Christmas season, he found out that his sudden transfer had caused a lot of suspicion among his colleagues, some of whom had concluded that he was an infiltrator. Former friends avoided him.

Hurt by the treatment, he resigned from his job to belie the accusations raised against him, and asked for an audience with his colleagues. But at this writing nobody has heeded his plea; the door of the COGs is still closed to him.

All these would seem to indicate that the military's strategy is working. Local chapters of BAYAN and HRO are presently inactive; the BAYAN office has been padlocked since Labasbas' abduction. LFS, KADENA and KASAMAK have lain low for the time being, and although the local unit of the Task Force Detainees is still functioning, it faces personnel problems, harassment and constant military surveillance. To pressure the COGs further, Capt. Roberto Robles, the new police chief of Dagupan City, has accused some cause-oriented members of being NPAs.

Because the rank-and-file COGs are confused and in disarray, the military is left pretty much to itself in conducting its much-criticized counter-insurgency operations. Despite recent military bombings, strafings and mopping-up operations in Pangasinan, no one from the COGs has taken up the cudgels for the displaced peasants.

Although the TFD has attempted to verify and document incidents of militarization, threats have stopped TFD workers from pursuing some of the cases.

The military's "war" against the COGs has made organizational consolidation among the latter one of its top priorities. The COGs in Pangasinan should realize that they are legal organizations. All accusations against the

COGs should be answered, and the public should be informed as to the nature and work of the COGs. Efforts should be made to counter the military's propaganda campaign.

The flight of many COG members at the slightest hint of a military threat could also be an indication of the shallowness of the commitment of most of the COG rank and file. This should be countered with an orientation among members as to why cause-oriented groups exist. COG leaders don't have to go far to look for the answer. The fact that the military is waging a "war" against them means that cause-oriented groups must be doing something right.

And for cause-oriented groups, that is reason enough to exist.

/08309

Thousands Including Former NPA Rally for Bishops' Peace Call

42000459b Manila THE MANILA TIMES in English
24 Jul 88 pp 1, 6

[Text] About 5,000 people, mostly former members of the New People's Army, law enforcers and plain citizens, conducted a prayer rally yesterday endorsing the Catholic Bishops' Conference of the Philippines' peace talks proposal between the government and the underground communist party.

They denounced the NPA atrocities committed against innocent civilians, particularly in countryside.

This developed as a group of medical practitioners accused the Aquino government and various law enforcement agencies of witchhunt.

The rally, dubbed "Pilipinas, Magbalikkasa Diyos Movement," was attended by former rebels led by Kumander Lahi, former NPA chieftain of Davao City who eventually became a church pastor, and Pastor Reling Milagrosa, 35, of the International Baptist Church and a former NPA spy in Quezon.

"The government's amnesty program and the hardships we encountered in the hills have prompted many of us to return to the fold of the law," several former rebels explained.

"The realization that, the collective will and welfare is not always taken into consideration by the NPA hierarchy is another factor which forced us to return," they added.

The rallyists praised President Aquino who expressed her willingness to hold another round of peace talks with the rebels despite the failure of the first one which ended in February 1987.

The Medical Action Group, meanwhile, noted that the intensified repression of rural health workers had resulted in the deterioration of the health situation in the country.

It has also brought about food blockades and the forced evacuation of people, displacing hundreds of families and the killing of civilians during military operations, the group said in a statement.

"With the fall of Marcos in 1986, high hopes for the improvement of health conditions of our people were kindled. Such hopes, however, have dwindled," the group added.

It said the Aquino regime continued to use the same system of repression utilized by the Marcos regime.

The group likened the present situation to the McCarthy era in the United States in the early 50s when suspected communists and their supporters were persecuted.

07310

Northern Luzon Officials Resist Balweg Attempts To Dominate

42000459d Manila THE MANILA TIMES in English
25 Jul 88 p 3

[Article by Orly Guirao]

[Text] Bangued, Abra—Local officials here have threatened to use arms in resisting the alleged attempt of the Cordillera People's Liberation Army headed by ex-rebel priest Conrado Balweg to control the province.

"It's the only way to stop the CPLA from lording it over us," Gov. Vicente Valera and all the mayors of the province declared in a meeting over the weekend.

Hostilities started when Balweg's men allegedly harassed a private logging operator hauling logs for the province's infrastructure projects.

The logs, according to Valera, were owned by the Cellophil Resources Corp. and later donated to the provincial government.

Since then, Valera said, the CPLA had "gone wild, intimidating businessmen, town officials and even residents."

While admitting they had no enough arms to flight Balweg's men, Valera said it was a "do-or-die" situation.

He also expressed confidence that the people would support them.

The local officials accused Balweg of "wanton disregard of the law, insisting that the tribal Bodong (peace pact) is the only instrument the CPLA respects."

The "bodong," Valera added, was applicable only to warring tribes and "does not cover our relations with the CPLA."

Rep. Rodolfo Bernardez, who also attended the Baguio meeting, said Balweg and his men had gone beyond the Mt. Data accord.

Under the agreement, the CPLA was authorized to maintain peace and order in the cordillera region in close coordination with military and local officials.

"But the CPLA has put everything in its hands. It appears that nobody could now check on the actuation of Balweg and his men," Valera said citing numerous harassment cases allegedly perpetrated by the CPLA.

The governor said since early this month at least three innocent civilians had been killed by CPLA members on mere suspicion they were cattle rustlers.

07310

Cordillera Official Breaks With Balweg
42000459e Manila THE MANILA TIMES in English
30 Jul 88 p 3

[Text] It is common in Philippine politics for friends and comrades to later turn out to be each other's greatest critics and foes. This is now the case between ex-priest Conrado Balweg, head of the Cordillera People's Liberation Army, and former newspaperman Abrino Aydinan, newly appointed chairman of the Cordillera Regional Consultative Commission, the body tasked to draft the organic act implementing autonomy for the Cordillera.

Aydinan, once described as Balweg's "kingmaker," is now believed to be the biggest stumbling block to the ex-priest's quest to take full control of the region.

He is acknowledged to be the "brains" behind the concept of regional autonomy for the mountainous Cordillera, home to a number of Filipino minority tribal and ethno-linguistic groups. He is said to have personally drafted President Aquino's Executive Order 220 creating the Cordillera Administrative Region which is supposed to govern the region.

Aydinan shared his thoughts on his differences with Balweg and the CPLA, and on the problems facing Cordilleras in their struggle for self-determination, in a recent interview with Philippine News and Features reporter Carolyn S. Gamiao.

Excerpts:

On his relationship with Balweg and the CPLA

I have lost confidence in his moral character...Balweg is simply a politician of the traditional stripe. What destroyed our alliance were his acts of omission and commission.

First, he wanted to demonstrate that he can eliminate those he wanted to [eliminate]. Then he allowed himself to be used by the military. CPLA was supposed to be independent of the Armed Forces in light of its being the supposed guarantor of Cordillera autonomy. But after his frustrated ambush by the NPA, he practically put CPLA under the command of the military.

He is also into...logging. In the name of the Cordillera Bodong Administration, he has obtained the rights to get logs left behind by Cellophil. He can claim possession of these logs but there is no mechanism to check if no new logs are being cut by his group, which now guards the area.

On the Cordillera Bodong Administration

We were the proponent of the CBAAd as a first act towards organizing a revolutionary government in the region...What we wanted was to adopt native structures of government but were admittedly wrong in exclusively projecting the bodong (peace pact) concept. I find fault with the bodong as a principle of preserving tribal structures.

It is a source of personal concern that CBAAd is now solely composed of persons loyal to Balweg, people who are either from Abra or government. It will be unfair to the Cordillera people if it deals solely with Balweg as far as CBAAd is concerned.

On alternative routes to autonomy.

There is now greater awareness and more acceptance of autonomy in the Cordillera. I hope that the work for this continues outside the framework of CRCC. (None of the) forces sincerely working for autonomy are...bad.

That is why my greater worry is when an Organic Act that doesn't carry the real meaning of autonomy is passed. This will be tragic for the people. In Mindanao where the struggle was approached by the government with innocuous arrangements, armed resistance did not stop. I am optimistic that the Cordillera people will know how to deal with a situation such as in Mindanao—so long as other options are open—Philippine News and Features.

07310

**Officials View Guidelines for Cordillera
Autonomy; Balweg Hits 'Polarization'**

42000459f Manila *PHILIPPINE DAILY INQUIRER* in
English 31 Jul 88 p 6

[Article by Hilarion Pawid: "Can Cordillera Stand on Its
Own"]

[Text] Baguio City—Can the proposed Cordillera region
stand financially on its own when granted full auton-
omy?

The question surfaced when Finance Undersecretary
Ramon Katigbak set the guidelines for the deliberations
of the 30-man Cordillera Regional Consultative Com-
mission (CRCC) which formally opened its sessions last
Saturday.

Katigbak cautioned that the Cordilleras when granted
full autonomy, should be "innovative rather than imita-
tive" as he expressed apprehension that the region might
copy regional set-ups of the national government.

He added that the CRCC Could draw a model for
regional development which could be adopted in other
regions. The CRCC is task to help draft an organic law
(for an autonomous region) to be submitted to Congress
later this year.

The finance undersecretary revealed that taxes collected
in the territorial coverage of the Cordillera are equiva-
lent to one-fourth to the total government expenditure in
the area.

The proposed Cordillera region will comprise the prov-
inces of Benguet, Ifugao, Mt. Province, Kalinga-Apayao,
Abra, and the city of Baguio.

Katigbak added that there is a large amount of taxes
arising from economic activity in the region but paid
elsewhere. He cited as an example the case of electric
power generated in Benguet but the region receives no
share from income derived by the National Power Cor-
poration.

Katigbak who represented President Aquino, said that if
all the revenue sources are tapped, the Cordillera could
meet the cost of development programs for the region.

In accordance with Executive Order 220 creating the
Cordillera region, 50 percent of all taxes and other
government revenues generated should accrue to the
area.

Meanwhile, renegade priest Conrado Balweg expressed
fears over the present polarization of the Cordillera
which may derail the real intentions for full autonomy.

Balweg, who negotiated with the Aquino administration
for the granting of autonomy said that personal interests
and power struggle has crept into the initial stages in the
planning of the region.

"It is very disappointing and sickening to hear some
officials talking of compensation and per diem," Balweg
said, referring to those appointed the CRCC, the Cordil-
lera Executive Board (CED) and the Cordillera Regional
Assembly (CRA).

The rebel priest-turned Aquino supporter added that
"the task at hand is to organize and plan for the success
of the Cordillera as intended."

07310

**Editorial Welcomes Signs of Presidential Action
on CARP Implementation**

42000443f Manila *THE MANILA CHRONICLE* in
English 23 Jul 88 p 4

[Editorial: "Definite Steps in Right Direction"]

[Text] A year ago yesterday, President Aquino signed
into law Executive Order 229, her Comprehensive
Agrarian Reform Program (CARP). EO 229 was not a
very revolutionary piece of legislation. For although it
placed all agricultural lands, private and public, under
agrarian reform, it left to Congress the task of determin-
ing retention limits and the priorities in the program's
implementation. The public, who expected much more
from President Aquino, was greatly disappointed.

Last May, the EO was superceded by Republic Act 6657,
the Congress' version of the CARP. Like EO 229, RA
6657 did not live up to the expectations of the people. In
fact, the new law pleased nobody. Both the militant
farmers and rabid landowners rejected it.

And those who supported it excused its shortcomings by
pointing out that it was the most that could be expected
from Congress at this time.

Although the Government's record in agrarian reform
legislation has been far from spectacular, there are
encouraging signs that Mrs. Aquino and her secretary of
agrarian reform Philip Juico intend to follow the signing
of the new law with determined action. Moreover, the
private sector, including some groups that were initially
hostile to the CARP, are coming around ready to help in
its implementation.

At the Department of Agrarian Reform yesterday, Pres-
ident Aquino presided over the creation of the Barangay
Agrarian Reform Committees (BARC) and swore five
farmer representatives and three landowners into the
Presidential Agrarian Reform Council (PARC).

The creation of the PARC and the BARC establishes the foundation for the implementation of the program. While the PARC will lay down the program's guidelines, the BARCs will see to it that the program is correctly implemented in the grassroots.

Two families who represent the first landowners to voluntarily share their land under CARP were presented to the President. Within 15 days, these families will receive a 30 per cent cash down payment and 70 per cent in 10-year Land Bank bonds in exchange for their lands.

Although these may seem small compared to the magnitude of the agrarian problem, they are definite steps in the right direction. As the President put it, the journey toward social justice has just begun.

Although the road toward social reform, as dictated by RA 6657 is long and booby-trapped in favor of the landed, the Executive is not without the necessary powers to implement the CARP in favor of the landless.

Perhaps because it wanted no part in the implementation of the CARP, Congress has vested in the Department of Agrarian Reform discretionary powers in interpretation and implementation. All the President and the DAR have to do, therefore, is keep in mind that they are implementing a social justice imperative and as such, they must use the vast discretionary powers given them by the law with a preferential option for the poor and dispossessed.

/08309

MANILA TIMES Backs Sin Denunciation of Concentrated Wealth, Power
42000459c Manila THE MANILA TIMES in English
24 Jul 88 p 4

[Editorial: "Sin as the Nation's Voice of Conscience"]

[Text] Like the voice of conscience, Jaime Cardinal Sin has denounced in the strongest possible terms the concentration of the nation's wealth and power in the hands of a few—a state of affairs which he said has given rise to widespread poverty, social injustice and rampant criminality.

No doubt, many will agree with the Manila archbishop that most of the nation's ills can be blamed largely on the inequitable distribution of wealth and the failure of those who have it to help elevate the quality of life of those who have none.

As Sin himself put it in his homily celebrating the launching of the government's Comprehensive Agrarian Reform Program [CARP], "A just and humane social order cannot be realized when within society some groups hold most of the wealth and power while a large

strata of the population cannot provide a decent livelihood for their families even after long hours of back-breaking labor in the fields."

On this premise, he has vowed that the Church—Christ's remark that the poor will always be with us notwithstanding—will act to help correct the situation, noting that it "would be unfaithful" to its mission should it "remain silent and not take up the cause of the poor."

The Cardinal's message is strictly in line with the stand of the Vatican, expressed in several encyclicals by the present Pope and his predecessors, that the Church must be actively involved in uplifting the lot of man, as God's creature and as a social being. Social justice has become the touchstone of the modern Church's mission among the laity.

This is, however, easier said than done. In a country with a colonial past like the Philippines, genuine reform to restructure society is next to impossible in a democracy that pays more than lip service to the spirit of free enterprise as the handmaiden of progress.

On the other hand, President Aquino herself admits that the government has yet to do "a lot of things" to improve the living conditions of the poor, specially in the countryside. To dramatize the need for implementing CARP as a means of uplifting the lot of the underprivileged, the President has pointed out that about seven million Filipinos live below the poverty line.

CARP, if successfully carried out, can indeed be the answer to the dream of many a Filipino tiller of the soil. By releasing the peasant from perpetual bondage and giving him a chance to own a piece of land, however small, CARP should accomplish much in promoting the ends of social justice in the countryside.

What both the President and the Cardinal apparently want to emphasize is the need for giving equal opportunity to everyone to get his just share of the nation's wealth. This could be done in a truly democratic manner only if the will of the majority is to prevail.

Their message was addressed to the nation's rich landowners, many of whom had earlier expressed vigorous opposition to CARP. The majority of Filipinos clearly wants reform, and the small minority of the landed gentry must acknowledge this.

In the broader context, Sin's homily appeals to the Christian spirit as well as to the patriotism and pragmatism of the "haves" in our society. Mrs Aquino's candid admission that the government still has much to be accomplished to help the seven million impoverished Filipinos emphasizes the need for self-reliance, hard work and perseverance. The government, after all, cannot be the sole provider.

We are sure neither one of them—the nation's top leaders in temporal and spiritual matters—meant to stir up any class hatred for the rich who, by virtue of their wealth, wield so much power. All they wish to do is to see to it that Filipinos, rich and poor alike, work together to build a just and free nation.

In other words, the rich must divest themselves of some of their assets and invest these in job-generating enterprises—here in their homeland and not in some foreign country like the United States. The poor, on the other hand, must strive to become productive partners in the nation's progress.

The rich and the powerful must take heed. Of what use is their wealth if the country goes the way of Vietnam?

And as for the poor, the lesson of the seemingly endless stream of "boat people" fleeing Vietnam is clear. For it tells in a most dramatic fashion the tragic story of man's inhumanity to man—the Marxist way.

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Sin Cites 'Justice, Liberty' at Bacolod Rites as Protestors Block Street

42000449g Manila THE MANILA CHRONICLE in English 26 Jul 88 p 9

[Article by Ninfa Leonardia: "Sin Cites Church's Social Role"]

[Text] Bacolod City—Traditional Church color and pageantry and the presence of the country's highest Catholic leaders marked the ordination yesterday morning of Msgr. Vicente Salgado, archbishop of Bacolod, at the San Sebastian Cathedral here.

Archbishop of Manila Jaime Cardinal Sin, Cebu Archbishop Ricardo Cardinal Vidal, and Papal Nuncio Msgr. Bruno Torpigliani led 13 archbishops and bishops and about 200 priests from across the country who arrived for the ordination.

Sin, who was the main celebrant in the rites, stressed the role of the Church in bringing about the dignity and abundance of life for man through justice, liberty and charity.

In his homily to a congregation of about 5,000 who jam-packed the cathedral, Sin reminded both the clergy and laity that justice means giving everyone his due.

"Any movement which claims that it is for justice but does not recognize any relationship with God will have disastrous results," he said.

However, the Cardinal also said "by the same token, any activity which claims defense of human rights but denies that man's final end is to be sought in eternal life is weak and puttering."

The church-goers include Negros Gov. Daniel Lacson Jr., Iloilo Gov. Simplicio Grino and Bacolod Mayor Alfredo Montelibano.

During the Church rites officiated by the papal nuncio, about 500 protesters carrying placards and streamers blocked the western portions of the street in front of the cathedral.

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Military Reports Mindanao NPA Weakened by Power Struggle

42000459a Manila THE MANILA TIMES in English 23 Jul 88 p 2

[Article by Jun Villalba]

[Text] Prosperidad, Agusan del Sur—Intense rivalry between two top commanders of the New People's Army in Northeastern Mindanao for the region's top leadership which was left vacant with the capture of Jorge Madlos and three other companions in Metro Manila has resulted in a power struggle and the weakening of the CPP-NPA organization in the region, military sources said.

Col. Cristobal Gurrea, head of the Army 401st Brigade based here said that renegade priest Frank Navarro, alias "Ka Migo" of Front 19 and Maria Loida alias Ka Toso and Ka Bambi of Front 14, both vying to succeed Madlos in the top echelon of the regional party committee of Mindanao or KOMMID have shown mutual dislike for each other resulting into uncoordinated activities during battles with government forces in Surigao del Sur last week.

Col. Gurrea cited rebel debacles during the Liangga and Tago town attacks launched by the communist guerrillas under Loida wherein eight NPA cadres were killed and scores wounded.

In the ensuing pursuit by government troopers, Loida sought reinforcement from Father Navarro who reportedly was in the neighboring area with his men ready to do battle but the latter accordingly ordered his men to stay away from the embattled zone.

Calls for help through handset radio by the beleaguered units under Loida were monitored by government troops in the area, Gurrea added.

Latest reports said the main body of Loida's unit was heading for Barangay Andap in Marihatag, Surigao del Sur considered stronghold of NPA guerrillas headed by Father Navarro.

Military intelligence sources said the ongoing power struggle had left the insurgency movement in the region divided. Reports said CPP-NPA provincial committees have cast their lot with Loida, she being senior to Fr. Navarro in the rebel organization.

On the other hand, ranking members of the Mindanao Commission, including Madlos, favor Navarro to head the commission.

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Cebu Anticommunist Umbrella Organization Disbands in 'Disgust' Over Aquino Policies

42000459g Manila *PHILIPPINE DAILY INQUIRER* in English 31 Jul 88 p 6

[Text] Cebu City—The umbrella organization of anti-communist groups in Cebu has announced its decision to disband in "disgust over the policies" [as published] of the Aquino administration despite its claim that it was not a vigilante group.

In a press release sent to Cebu media organizations, the Federation of Anti-Communism Movements in Cebu (FACOM-Cebu) said the disbandment was in compliance with the order of President Aquino to have all vigilantes disbanded.

It claimed to have eight member organizations which it said are not vigilante organizations but non-governmental volunteer organizations helping the government fight communism, crime and other ills of society.

FACOM used to be a member of the Cebu-based National Movement for Freedom and Democracy (NMFED) headed by Pastor Alcover Jr., a former communist guerrilla commander, who is also the national president of Kalihukan Alang sa Demokratikohong Reporma (KADRE).

Before its disbandment, FACOM was reportedly composed of groups like KADRE-Cebu, Batok sa Komunismo (BASKOM) and Kontra Komunista (KOKO), among others. Alsa Masa, which reportedly had conflicts with FACOM and KADRE leaders and some other anti-communist groups is not affiliated with FACOM.

Edgar M. Cuizon, FACOM chairman, described the decision of President Aquino to disband the vigilantes as "ill-advised" at this stage of counter-insurgency campaign.

He said FACOM-Cebu had stood up against the insurgents "without reservation and had risked lives because of this."

"We had started to professionalize our members with greater impetus on discipline and socio-economic community projects which we believe are effective weapons against our few misguided Filipino brothers," he added.

"But now we feel our help is no longer needed by the government and the military—who had instead given us difficulties—in the fight against communist rebels," he added.

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Killing Follows Rift Between Rival Cebu Anticommunist Groups

42000449c Manila *THE MANILA CHRONICLE* in English 24 Jul 88 p 4

[Text] Cebu City—A member of an anti-communist vigilante group was shot dead Friday by six unidentified gunmen believed to be members of a rival vigilante group near the Tabunok public market in Talisay, 12 km south of here.

Angelberto Campo, 40, a member of the anti-communist vigilante group Kalihokang Alang sa Demokratikanhong Reporma (Kadre), sustained multiple gunshot wounds in the head and body and died instantly, police said.

The killing occurred hours after Cebu Metrodiscom chief Col. Cesar Averilla announced the settlement of a rift between leaders of Kadre and its rival, the anti-communist cultist group Sagrado Corazon senior more popularly known as "Tadtad."

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Local Governments Secretary Rejects Pala Appeal To Fund New 'Contra Force'

42000439f Manila *THE MANILA CHRONICLE* in English 20 Jul 88 p 6

[Article by Tress M. Reyes]

[Text] Jun Pala, a former leader of the Davao-based Alsa Masa vigilante group, has appealed to Local Government Secretary Luis Santos for funding for his new group, the Contra Force Helping Hand Foundation.

In a letter dated June 30, Pala said he needed money to buy and refurbish a medical fund the foundation is eyeing. He said a philanthropist has already donated P60,000 seed money for the fund but it was not enough.

Pala explained that the foundation has spent over P2 million for hospitalization and burial expenses and for the purchase of medicine for its members, and already, he said, its funds are dwindling.

Pala, a radio commentator who gained fame for his anti-communist tirades, formed the foundation after he broke away from Alsa Masa.

The foundation which, according to Pala, is anti-communist and anti-imperialist, receives donations "from concerned individuals who helped me sustain my anti-communist crusade."

This assistance is channeled "to the mass base in urban and rural areas whom I have convinced to deny communist insurgents their political and military operational base," Pala wrote Santos.

Pala said he created the foundation in response to the Government's appeal for conciliation. The foundation now provides free medical and dental checkup through its medical clinic, he added.

However, Santos, head of the National Peace and Order Council, told reporters he would have to turn down Pala's request because he cannot use government money for a private organization.

In fact, even the POC is suffering from lack of funds, forcing Santos to approach the United States for financial assistance.

In the meantime, the secretary also said that Maj. Gen. Ramon Montano, PC-INP chief, has advised him of the withdrawal yesterday of the 40 bodyguards of Iloilo City Mayor Rodolfo Ganzon.

Montano reported that he provided four new bodyguards for the protection of the mayor, who is being investigated for allegedly using his bodyguards to terrorize the city's councillors, teachers, and businessmen.

Santos said he will go to Iloilo next week to verify the complaint. He said he already warned Ganzon about the complaint last time they met, but Ganzon simply replied, "I will face them all."

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**Rights Groups Detail Statistics, Locations,
Condition of Political Prisoners**
42000443c *Quezon City WE FORUM in English*
25-31 Jul 88 p 3

[Text] There are now, according to human rights groups, over 400 political prisoners in the country, belying a recent claim by President Aquino that there are none, and that those claimed to be so are actually ordinary criminals.

The rising number of detainees is only one ugly phase of the total human rights picture that has emerged since 1986, marred by a sharp rise in the number of involuntary disappearances and "salvagings" and cases of torture that would make the EDSA miracle look like a farce.

These are all discussed in a report released last week by leading rights groups on the status of political prisoners in 11 detention and prison centers in the country, which a fact-finding mission of 57 men and women visited.

Among the highlights of the report:

—Information was often extracted from detainees through the use of torture, especially during the initial stage of incarcerations;

—Detainees were exposed to sub-human conditions like inadequate food and water supply, poor sanitation and ventilation, and bad lighting;

—Cells are located in hazardous areas, i.e., where there are extremes of temperature, or where the structures are of World War II vintage and could collapse anytime; or where disease-carrying insects can breed.

But perhaps the biggest danger is posed by the location of some cells in front of the firing range used by the soldiers in their target practices.

These dangers were mostly reported in Camp Bago Bantay. Elsewhere, there were similar tales of woe. Incidents of diarrhea were high in Pasay city jail; not enough food and water, and lack of privacy, and continued verbal harassment from detainees who are former soldiers or policemen were reported in Bicutan.

Moreover, most medical complaints are not reported to physicians.

The centers visited by human rights groups, lawyers, and mediamen are: Camp Bagong Diwa, Bicutan, Camp Bago Bantay, Quezon City, Pasay City jail, Manila and Quezon City jail, Malabon municipal jail, Rizal provincial jail, Camp Crame, New Bilibid Prisons, Muntinlupa and the National Mental Hospital. At least 40 detainees were interviewed by the members of: Samahan ng Mga Ex-Detainees Laban sa Detensyon at para sa Amnestiya (SELDA); Kapisanan para sa Pagpapalaya at Amnestiya ng mga Detenido sa Pilipinas (KAPATID); Medical Action Group-Philippine Action Concerning Torture (MAGPACT); Task Force Detainees-NRC; Urban Center for Justice and Peace; and Alliance of Concerned Visayans in Metro Manila (ACVIMM).

The groups, in baring their findings, denounced what they called the Aquino regime's perpetuation of Marcos policy of maltreating political prisoners. It also offered the following recommendations, which were noted by the Congress Committee on Human Rights chaired by Rep. Anna Dominique Caseteng:

—Recognize the right of all detainees to be treated as human beings;

—Subject arrested persons to physical examination immediately after 24 hours of their arrest preferably by the physician of their choice. Regular examination should also be conducted to ensure their well-being;

—Allow free access to health personnel, para-legal and legal groups, and friends in detention centers especially when there are requests for visits from the detainees themselves, lawyers or relatives.

- Allow visiting groups to conduct regular ocular surveys in all detention centers to ensure that good sanitary conditions and practices of the detention centers are maintained;
- Review all existing penal laws and incorporate necessary laws and measures for the protection of detained persons;
- Segregate all political detainees/prisoners from common criminals.

The report on the political prisoners is just one of the most compelling portions of the first quarter report on human rights violations by the TFD. According to that report, arbitrary arrest and detention remain as the most widespread violation, followed by torture, divestment of property and salvaging.

Compared to last year's first quarter overall report with 292 victims in 38 cases, there was a noted increase of 118 percent as regards incidents, but a slight decrease of incidents of violations and victims respectively as compared to the 1987 three-month period. This had 25 rights violations with 280 victims as regards to those directly attributable to the state.

In commenting on the situation, the human rights groups, which had been just as active in Marcos' time—though they suffered many casualties too, like the five HR lawyers who were murdered recently—could only shake their heads and say, "the legacy of Marcos is still very much around."

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CHRONICLE Column Hits Military Rejection of Talks, Views Events
42000449f Manila THE MANILA CHRONICLE in English 26 Jul 88 pp 4, 5

[By Hernando J. Abaya in "My Lonely Chair" column: "Is the AFP Afraid of Peace?"]

[Text] No sooner had the Catholic Bishops Conference of the Philippines sent aloft their earnest, soul-searching call for reopening ceasefire negotiations with the rebels than our top military leaders, their itchy fingers ever ready on the trigger, shot it down without the least hesitation.

Why? Are they so inured to the senseless killings of Filipinos by Filipinos that they are in mortal fear of peace breaking out and threatening their unchallenged pre-eminent role in the established order?

Yet, the chances of achieving peace in the world now were never brighter.

A year after Iraq accepted UN Security Council Resolution 398 for a ceasefire in the protracted Gulf war, Iran's implacable Ayatollah Khomeini has agreed to end hostilities that have wasted both countries' youth and manpower (MANILA CHRONICLE, July 20).

Not many weeks ago, Mr. Reagan, America's Number One communist hater, broke bread at the Kremlin with the reformist Mr. Gorbachev.

In Nicaragua, Sandinista President Ortega has extended by yet another month, until August 30, the unilateral ceasefire he had declared after the collapse of a mutually-agreed ceasefire because of a rash of truce violations by the US-backed Contras, which Managua linked to "an internal destabilization plan" with alleged overt encouragement by the U.S. Embassy. (ibid, July 21)

And what did Messrs. Ramos, De Villa and company say to justify their irrational position?

Said our "civilian" defense secretary: Any new peace talks with the enemy would "not only be unproductive but also serve to endanger the safety of the people." (ibid, July 16)

The next day, even after President Aquino had said she was amenable to peace negotiations provided the initiative came from the CPP/NPA, Mr. Ramos told the press in the friendly Alsa Masa country of Davao: "I don't think our people should be exposed to another round of peace talks (sic!)."

What is needed, he insisted, "is a decisive success as quickly within the next two or three years."

For his part, General De Villa, brushing aside all talk of civilian casualties as "inevitable," announced a stepped-up counterinsurgency offensive, citing the presidential "standing order for an all-out offensive" against the rebels. (ibid)

This was his answer to the bishops' allegation that "grave offenses against life and property have accompanied the military's use of armed religious fanatics and undisciplined armed vigilantes."

"I think," our top militarist remarked cockily, "we should not forget that there is a conflict going on in this country, a political conflict between the forces of (God-less) communism and the forces of democracy."

He demanded to know: "How do we prosecute a war and run after an armed enemy and confront him without some violence that will occur?"

(How, indeed! Recall what happened in Lupao, Nueva Ecija on Feb. 10, 1987, two days after the 60-day ceasefire ended, when soldiers in pursuit of NPA rebels killed 17 civilians including six children and an 80-year-old couple. The military claimed the victims were caught

in the "crossfire," but investigation by a human rights team showed that most of them had been herded into a house and shot, after the rebels had broken contact following a brief encounter. Twenty of the 46 soldiers involved were accused of frustrated murder and murder before a military court-martial. Camp Aguinaldo, as far as I know, hasn't issued a statement on the status of the case.)

De Villa's warped view of the ideological conflict is the Cold War version made infamous by Mr. Reagan in an address before an assembly of Rightist American Evangelicals more than two years ago when he described the East-West conflict as "a struggle between good and evil," and blamed the world's problems on the "evil empire"—the Soviet Union.

(Last Christmas holiday season, Metro Manila's main boulevards and overpasses fluttered with streamers and buntings announcing a Jesus Christ "peace crusade" on the theme of good vs. evil. The slogan was: "Democracy vs. Communism/Satinism." Sponsors were the Rightist Moonies and other foreign Fundamentalists, who bought TV time to proselytize.)

The AFP's chief of staff must surely remember what World War II was about.

It was a death struggle between democracy and fascism.

Allied with democratic America and other Western democracies was communist Russia. No accident of history, it was a war for sheer survival for them.

The common enemy was fascism, represented by the Axis powers: Hitler's Nazi Germany, Mussolini's fascist Italy and militarist-fascist Japan under Tojo, and their clone, Franco's Spain.

Now, some relevant questions for General De Villa.

Are the "God-centered" Alsa Masa fanatics and other bigoted vigilante groups "freedom fighters" for democracy? Or the Rightist death squads believed responsible for the unsolved murders of human rights lawyers?

What about your paramilitary forces in which goons and other shady characters are welcomed? Or the private armies of political warlords and their ilk which the military condones?

In your book, General, it would seem, that all these are components of the forces of democracy.

In a troubled society like ours, General, it is on such debased elements that predatory Fascism feeds, thrives and proliferates.

And thanks to the military's deceitful McCarthyism, such a dedicated and respected champion of human rights as Bishop Antonio Fortich, together with his co-workers in the Negros clergy's fight for food and justice for the poor, is barricaded and shut in his Bacolod residence by unwary townspeople misled by the military, the police and a landlord congressman who rode on a simple protest over a reshuffle of parish priests and turned it into an anti-communist rally, according to an outraged Negrense who called me from Bacolod last Sunday.

What a shameful demonstration of people power!

/08309

Editorial: Sihanouk May Force Reexamination of Khmer Rouge

42000454c Bangkok *THE NATION* in English
28 Jul 88 p 8

[Excerpts] Prince Norodom Sihanouk's "patriotic proposals" on how to settle the Kampuchean problem is brilliant but ambiguous.

Vietnam, According to Sihanouk, cannot be solely blamed for the "ocean of miseries and humiliations" in Kampuchea because some "Khmer factions are equally heavily responsible."

Instead of holding an international conference on Cambodia under the UN's auspices, Sihanouk wants it convened personally by UN Secretary-General Javier Perez de Cuellar. Vietnam welcomes Perez de Cuellar's good offices but don't want the conference held by the UN, which doesn't recognize the Phnom Penh regime.

If Vietnam and its client in Phnom Penh agree to study Sihanouk's proposals, Sihanouk will be tempted to announce a "break-through" in the years-long attempt to work out a framework for a settlement in Kampuchea.

But such a "break-through" will likely leave Thailand on the defensive because Vietnam will not withdraw all of its troops from Kampuchea while the Khmer Rouge continues to receive Chinese arms and supplies funneled through Thailand. And the presence of Vietnamese troops, not the conflict among the four Khmer factions, is the real security threat to Thailand.

Sihanouk's proposals, if taken as a basis for further talks among the four Khmer factions, will force Thailand and China to re-examine their positions concerning the Khmer Rouge. For neither of them wants to be blamed for obstructing a settlement of the Kampuchean problem.

/12232

Poll: Students Prefer Arthit as Prime Minister

42000448c Bangkok *BANGKOK POST* in English
22 Jul 88 p 3

[Text] Puang Chon Chao Thai Party leader Gen Arthit Kamlangek is the favourite among university students to serve as the country's next prime minister, according to a recent poll.

A total 29.5 per cent of all Ramkhamhaeng University students surveyed—responding to some 6,700 questionnaires prepared by the Student Federation of Thailand's Centre of Students for Democracy—said Gen Arthit should be premier.

Approximately 20 per cent preferred Prachakorn Thai Party leader Samak Sundaravej.

Some 18.5 per cent of Chulalongkorn University students, responding to 3,500 copies of the questionnaire, support Gen Arthit to be prime minister, compared to 14.1 per cent who pick Social Action Party leader Siddhi Savetsila, 12.2 per cent for Democrat Party leader Bhichai Rattakul and three per cent for Gen Prem Tinsulanonda.

Gen Arthit has won support from 27.1 per cent of King Mongkut Institute of Technology students at the Phra Nakhon Nua campus, who responded to 2,300 questionnaires, and 29.6 per cent of Kasetsart University students at the Kamphaeng Saen campus, responding to 2,500 copies.

Between 84.3 per cent and 93.9 per cent of all students said they believed that a prime minister should be an elected MP.

An overwhelming majority—up to 73 per cent—feel both parties and candidates should be considered in casting votes, and not just one or the other.

Asked if the military should play a role in formation of a post-election government or selection of a prime minister, between 76.6 per cent and 91.7 per cent of those responding said they do not think the military should interfere in political affairs.

Only six per cent to 23.4 per cent said the military should play a political role.

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Investment Board Chief Wants Major Reforms

42000454b Bangkok *THE NATION* in English
28 Jul 88 pp 13, 20

[Article by Adisak Limprungpatanakit: "Major BoI Policy Reform Urged"]

[Text] The Board of Investment will have to undergo a major policy reform because of the changing conditions of the Thai economy and an excessive work load caused by unprecedented investment applications.

Speaking at a seminar organized by the Economic Reporters Club at the Thai Farmers Bank yesterday, BoI Secretary General Chira Panupong said the investment agency's new policy must clearly define national perspectives and objectives.

The Investment Promotional Act of BE2520 will have to be dismantled to meet the changing circumstances governing the Thai economy, particularly the current high economic growth, he said.

At the same time, the privileges should be lessened and approvals granted more selectively based on types of industry, Chira disclosed.

Speaking on the topic of "The Future Role of Investment Promotions," the secretary general said the BoI has been unable to cope with the unprecedented increase in investment applications since last year.

This is despite internal reorganization such as the establishment of the second project evaluation unit and the forming of a second unit to evaluate privileges with respect to raw materials, he added, "Still, the work has increased three or four times," he said.

He admitted that some criticisms of the agency were valid while others were not. Chira said he hasn't been idle, but that his efforts to alleviate the situation have been in vain because of the excessive work load.

"Despite the Investment Promotional act having been amended six times previously, this was still not enough because the circumstances have changed so much," he added.

The secretary general said he has been in consultation with other senior officials including National Economic and Social Development Secretary General Dr Snoh Unakul about the policy reform.

At the same time, BoI officials have been instructed to gather opinions about investment promotions in order to map out a clear national investment policy and strategies to promote each sector.

The future objectives will consists of encouraging new investments which will expand the types of industry at work in Thailand, streamlining existing industries so that they will be more efficient in order to compete with foreign goods, and making Thailand more self-sufficient in raw materials, parts and technology.

He disclosed these objectives against the backdrop of the current status of the Thai economy, which is in a favourable position to negotiate and select investors and projects, to select privileges and impose conditions, and increase the role of Thais in the equity as well as in the management.

Chira warned that one should not be so complacent to think that the investment prospects will always be sound, since neighbouring countries are constantly trying to come up with measures to attract investors.

He said foreign investors could be confused by the many views expressed about investment promotions, but "we are trying to use an analytical approach to come up with a national investment policy."

Nevertheless, the work to maintain the current investment momentum must continue in order to preserve the country's image as a good investment location so that "we can have more opportunity to select investments and set technology transfer conditions."

Chira disclosed that he has been talking to major foreign investors such as the Minebea Group and the Sharp Corporation about the possibility of these companies getting away from their own supply network and building up the strength of Thai part suppliers.

He said investment promotion measures are part of the overall promotions which comprise the country's policies on taxes, interest rates, and Industry Ministry's policy on establishing factories, for example.

Chira said instead of focussing criticism on the BoI, people should also call on other government agencies to correct their policies which remain in conflict.

Meanwhile, he said several points in the Investment Promotional Act should be altered. For example, tariffs on imported machinery should not be totally waived, and there should be a way of imposing taxes on output allocated to local markets since the total export clause does not mean that the products cannot be imported back.

He proposed using part of the fees earned from promoted firms or those which have violated investment regulations, to set up a labour development fund to support the local parts industry. Several promoted companies have favoured this proposal which is implemented in many other countries.

He said those criticising the industry should make a distinction between the Office of the Board of Investment and the Board of Investment because they each perform different tasks.

He admitted that the Office suffers from an excessive work load, while the Board is responsible for criticisms of policy matters and approvals of major projects over which several major vested interests groups are competing.

Chira remarked that the loss of revenue to the state from the tax waivers on imported machinery and raw material, income tax and other fees, occurs because of the inappropriate tax structure of the Finance Ministry.

"Everyone has too high expectations of the BoI," he complained, adding that technocrats, have made criticisms without understanding of the reality.

He posted the question: would investors be attracted to Thailand to help generate other forms of tax as well as jobs if the tax waivers were removed?

Chira said he is in the process of organizing a seminar to be held shortly from companies to learn about each step involved in investment application and approval. He said the question of tea money paid to officials is easy to raise by difficult to prove. The BoI will penalize any officials found guilty of such malpractice.